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REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

FOR

COUNTY DURHAM ARTS IN EDUCATION AGENCY

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COUNTY DURHAM ARTS IN EDUCATION AGENCY

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2007

TRUSTEES:	M Fleming B D Ebbatson P J James J Stirk R A Hancock S Campbell
SECRETARY:	A Harrington
REGISTERED OFFICE:	Stanley Education Centre King Edward VIII Terrace Stanley DH9 0HQ
COMPANY NUMBER:	4027621 (England and Wales)
CHARITY NUMBER:	1086471
AUDITORS:	Ribchesters Chartered Accountants and Registered Auditors 67 Saddler Street Durham City DH1 3NP
BANKERS:	Unity Trust plc Nine Brindley Place 4 Oozells Square Birmingham B1 2HB
	Alliance & Leicester Commercial Bank plc BBAM Bridle Road Bootle Merseyside GIR 0AA

COUNTY DURHAM ARTS IN EDUCATION AGENCY

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2007

The trustees present their report with the financial statements of the company for the year ended 31 March 2007

STRUCTURE GOVERNENCE AND MANAGEMENT

GOVERNING DOCUMENT
The organisation is a charitable company limited by guarantee, incorporated on 5 July 2000 and registered as a charity on 3 May 2001 The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association Under those Articles, at each annual general meeting, other than the first following the date of incorporation, one third of the trustees shall retire by rotation, but they may offer themselves up for re-election

METHODS ADOPTED FOR RECRUITMENT AND APPOINTMENT OF TRUSTEES
The trustees of the company are also directors for the purposes of charity law and under the company's Articles are members of the Board of Trustees The minimum number of board members is 3 and the maximum is 12 A number of methods will be used to source new trustees These will include identifying potential trustees with the relevant skills and contacting directly We would seek advice and support from peer organisations including Arts Council England and the Arts and Business Board Bank scheme

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES
Most trustees are familiar with the practical work of the charity, however the organisation also holds annual board development days and trustees are encouraged to take up training opportunities outside of the organisation when they become available The board are heavily involved in the creation and implementation of key policy development including Cultural Diversity Action Plan, Child Protection Policy and Equal Opportunities Policy Throughout the year the Executive Committee will receive further publications as they become available from such organisation as the Charity Commission and Arts Council England
Any new trustee will receive an induction pack and is invited and encouraged to attend an induction event These set out

- The roles and responsibilities of the Executive Committee
- The main documents relating to the organisation including the Memorandum and Articles of Association
- Resourcing, budget forecasts and current financial position
- Future plans and objectives

ORGANISATIONAL STRUCTURE OF THE CHARITY AND HOW DECISIONS ARE MADE
The Board meets on a quarterly basis The director serves as company secretary and has no voting rights Additional sub-committees and working groups are established to explore specific issues, for example Human Resources and Company Development, between those times Day to day management of the organisation is through the trustee, who is supported by two Project Producers and an Administrator
Line management, supervision and appraisal is undertaken of all staff to ensure the team continue to develop their skills and working practices as part of our drive to ensure quality

RELATIONSHIP BETWEEN THE CHARITY AND RELATED PARTIES AND WITH ANY OTHER CHARITIES AND ORGANISATIONS WITH WHICH IT COOPERATES IN THE PURSUIT OF ITS CHARITABLE OBJECTS
The Forge works closely with many partners including artists and arts organisations It also has close links with other organisations and individuals from both the voluntary, statutory and business sectors Partnership development is an integral and fundamental element of the organisations work

We continue to receive core funding from Durham County Council, Sunderland City Council and Arts Council England

BOARD OF TRUSTEES

The Trustees who served during the year were as follows
M Fleming
B D Ebbatson
P J James
J Stirk
R A Hancock

J Stirk and R A Hancock offered themselves for re-election at the 2006 AGM and were re-appointed Paul James and Brian Ebbatson will offer themselves for re-election at the forthcoming 2007 Annual General Meeting

RISK REVIEW

The Board works with the Director to identify any potential problems that the organisation may face Risk review is built into all of the organisations planning on both an operational and strategic level Rigorous procedures are in place to ensure compliance with health & safety of staff, child protection and best practice in employment of artists and arts delivery

OBJECTIVES AND ACTIVITIES

The principal activity of the company in the period under review was that of producing high quality participatory arts in education events and fostering awareness, knowledge, understanding of and participation in arts education in County Durham and Sunderland The Company operates under the trading name of The Forge

ACHIEVEMENTS AND PERFORMANCE

This is the seventh set of accounts for The Forge and covers a twelve month period of activity This year has been an extremely busy year for the charitable company and we have continued to deliver a wide range of artistic programme and support services to our two core partners, County Durham and the City of Sunderland

In May 2006 The Forge was awarded a three year contract to deliver the arts education agency role across the City of Sunderland, an endorsement of the importance attached to having an arts education function and an opportunity for The Forge to develop a long term relationship with key departments to instigate a strategic programme of activity

This year has seen a period of strategic development in Sunderland focusing on

- **Raising the profile** of arts education participation across the City through **mass participation programmes** such as Connect and Small World Big Dream ensuring that activity reaches as far across the City and is as **accessible** as possible
- Working to **improve and develop stronger communication channels** between The Forge and Sunderland City Council
- **Consolidating the relationship with schools**, increasing knowledge of the key market and identifying the range of levels of engagement The Forge has with schools

We proposed that the development of the Connect Scheme to provide an overarching framework for our work in Sunderland Thanks to investment from Sunderland City Council, Connect was delivered on a much larger scale during 2006 – 07 Launched by Estelle Morris in September, the scheme retained the themes of membership, training and access to artists The key drivers were mass participation and easy access We delivered a range of programmes under this banner including Small World Big Dream, CSDI cultural diversity monitoring scheme and the individual elements of Connect The scheme has been very successful with half of all Sunderland schools becoming members

Over summer 2006 Durham County Council commissioned The Forge to co-ordinate two programmes as part of the World Culture Festival This contributed to our commitment to delivering a diverse cultural programme and strengthened our partnership with DCC

Over the last 12 months the Durham Cultural Hub has begun to have a significant impact upon both cultural and educational partners There have been many exciting projects on both the large and small scale which have helped to embed Cultural Hubs ethos into the schools and cultural organisations We continued to develop the successful relationship with County Durham Youth Engagement Service A number of films were created and launched at an event at County Hall in early October The partnership with Durham LEA is very important Artslink is the County Durham Arts Network managed by a partnership of Durham LEA and The Forge continues to be successful A total of 42 schools across County Durham are super member schools We have also maintained our commitment to Sparks, the small grant scheme This year 19 Sparks awards have been made to schools in County Durham Sparks will be reviewed and re-launched for 2007 – 08

The success of The Forge is built upon seven elements

1 Strong track record
2 Clear strategy
3 A diverse portfolio
4 Innovative products
5 Financial stability
6 Sound management
7 Effective governance

Through a commitment to this approach the work and profile of the organisation continues to expand as the agency establishes itself as a major player in arts in education regionally and nationally

FINANCIAL REVIEW

The trustees believe that the charity has had a successful year Total incoming resources have increased to £546,885 from £525,291 This has been achieved through the successful delivery of a number of projects including Cultural Hubs which provided £315,087 of income

As at 31 March 2007 the charity had general funds to carry forward of £147,608 which is equivalent to nine months core costs

There were also restricted funds allocated to specific projects amounting to £261,425

RESERVE POLICY

The reserves policy of the charity is to carry forward sufficient free reserves to cover six months costs. This target was achieved in the year The charitable company is however also committed to future costs of £40,000 in respect of several projects that will be paid for from unrestricted funds These projects are Cultural Diversity Programme (2008), Sparks (2008), Connect (2008) and Creative Collaborators Research and Development programme There are also proposed funds allocated for organisational development and expansion totalling £60,000 that will also be funded directly from unrestricted reserves The trustees therefore believe that the reserves position as at 31 March 2007 is appropriate to the future needs of the charity

FUTURE PLANS

The next three years are a critical time for the future viability of The Forge The key task for the charitable company is to develop a business plan and staffing infrastructure that allows The Forge to maximise the opportunities that the future presents This plan will be based on consultation with partners an analysis of the current social, economic and political climate in which we operate This process will allow the charitable company to re-assess its strategic position in order to secure future development

We have identified 5 key areas of strategic development for the period 2007/2010:

- To provide high quality artistic learning opportunities and develop innovative creative programmes
- To encourage the development of active citizenship
- To create opportunities for artists to train and work across County Durham and Sunderland
- To fully engage with the Every Child Matters aims and objectives across Durham and Sunderland
- To develop international collaborations

We will achieve this through the following core operational activities:

- Creating and disseminating models of Best Practice
- Offering specialist advice and support regarding strategic development, planning and fundraising opportunities in relation to the arts and creative learning
- Supporting schools and artists in project development, delivery and management
- Continuing to contribute to the Artslink scheme in Durham and the Connect scheme in Sunderland
- Act as a broker between professional artists, arts organisations and the education sector
- Offer access to the Artists' Database
- Disseminating information regarding conferences, training days, practical workshops
- Assisting in the strategic planning of a training programme for teachers and practitioners regarding arts policy and skills

- **Flagship programme** – The Flagship programme will be redeveloped in the formal education sector These projects will be exploratory and risk taking and involve high calibre artists

- **Cultural Hubs** – We are entering into the third and final year of the Cultural Hubs programme This is an extremely important project for the charitable company Our focus will be on celebration, dissemination, evaluation and sustainability beyond 2008

- **Get Involved programmes** – The Forge has developed a number of extremely popular high impact mass participation programmes across both Sunderland and Durham There is a strong commitment from the partners to maintain these programmes These will include Sparks the Small Grant scheme, Artslink for County Durham and Connect in Sunderland

- **International Collaborations** – We will continue to develop the extremely popular Small World Big Dream festival We are part of the consortium developing the relationship between the North East and the Eastern cape of South Africa. We have also established links in South East Asia through the David Glass Lost Child project and the Centre for Creative Development in Cambodia and will look to explore the potential opportunities these relationships will provide

- **Working with Looked After Children** – Creative Force aims to place hard to reach young people at the centre of a high quality arts programme incorporating consultation strategies enabling them to inform and direct activity We will explore this way of working and seek to develop further partnerships with Local Authorities

- **Strategic Youth Arts Development programme** – We will explore the potential to develop our work beyond formal education The research commission from the CDSAOG will help this process

- **Research and Development programme** – The Forge ahs always placed the creation of art as a central part of the organisations philosophy We will develop a programme called The Ideas Factory that will provide the space and time for blue sky thinking and new ideas

- **Training** – The Forge provides training programmes for artists, teachers and schools and other commissioners of participatory artists including gallery and museum workers and librarians Programmes will include Artsmark Training and the implementation of the Cultural Diversity Action Plan

- **Advice and Information** – We provide an advisory service to schools and other agencies including museums, libraries and archives that wish to work with artists to deliver their projects The focus for 2007 will be the launch of the new website and the updating of the Artist Database to conform to best practice in child protection

- **Advocacy** – A key role for the agency will be the lobbying, profiling and promotion of the value of arts education and creative learning within the county and to a wider constituency including regional and national bodies The key priorities for the next three years will be to consolidate our relationship with our core funding partners, to maximise the impact of Every Child Matters legislation and to strengthen the relationships with Children's and Adult Services Directorates in Durham and Sunderland and to expand our range of partners

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 company and of the profit or loss of the company for that period In preparing those financial statements, the trustees are required to -

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each trustee has taken all steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Ribchesters will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985

This report was approved by the Board of Trustees on 27 September 2007 and has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued March 2005) and in accordance with the special provisions of Part VII of the Companies ACT 1985 relating to small companies

This report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies

ON BEHALF OF THE BOARD

Judith Stirk

J Stirk **Trustee**

AUDITORS' REPORT

TO THE TRUSTEES OF THE COUNCIL OF COUNTY DURHAM ARTS IN EDUCATION AGENCY (THE FORGE)

We have audited the financial statements of County Durham Arts In Education Agency (The Forge) for the year ended 31 March 2007 on pages nine to nineteen These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Small Entities (effective January 2005)

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the charitable company's 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 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

The trustees responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages one to six

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements

In addition, we report to you if, in our opinion, the charitable company has kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed

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

AUDITORS' REPORT

TO THE TRUSTEES OF THE COUNCIL OF COUNTY DURHAM ARTS IN EDUCATION AGENCY (THE FORGE)

(continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2007 and of its surplus for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Trustees is consistent with the financial statements

Ribchesters
Chartered Accountants & Registered Auditors
67 Saddler Street
Durham
DH1 3NP

Dated 30 October 2007

COUNTY DURHAM ARTS IN EDUCATION AGENCY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2007

	Note	Unrestricted funds £	Restricted funds £	2007 Total £	2006 Total £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	110,000	13,500	123,500	117,176
Investment income	3	14,902	-	14,902	8,867
Income resources from charitable activities	4	105,843	302,640	408,483	399,248
Total incoming resources		230,745	316,140	546,885	525,291
RESOURCES EXPENDED					
Cost of generating funds					
Costs of generating voluntary income	5	19,164	-	19,164	18,850
Investment management costs		-	-	-	56
Charitable activities	6	165,017	240,489	405,506	273,351
Governance costs	7	10,157	-	10,157	18,967
TOTAL RESOURCES EXPENDED		194,338	240,489	434,827	311,224
Net incoming resources before transfers		36,407	75,651	112,058	214,067
Transfers between funds		7,768	(7,768)	-	-
Net movement in funds		44,175	67,883	112,058	214,067
Total funds brought forward 1 April 2006		203,433	193,542	396,975	182,908
Total funds carried forward 31 March 2007		247,608	261,425	509,033	396,975

The statement of financial activities includes all gains and losses in the period

All incoming resources and resources expended derive from continuing activities

COUNTY DURHAM ARTS IN EDUCATION AGENCY

BALANCE SHEET AS AT 31 MARCH 2007

	Notes	2007 £	2007 £	2006 £	2006 £
FIXED ASSETS					
Tangible assets	11		4,241		3,621
CURRENT ASSETS					
Debtors	12	207,306		66,083	
Cash at bank and in hand	13	528,678		391,640	
		735,984		457,723	
CREDITORS:					
Amounts falling due within one year	14	231,192		64,369	
NET CURRENT ASSETS			504,792		393,354
NET ASSETS	16		£ 509,033		£ 396,975
FUNDS					
Unrestricted					
Designated funds		100,000		88,385	
General funds		147,608		115,048	
Restricted	18	261,425		193,542	
TOTAL FUNDS			£ 509,033		£ 396,975

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

ON BEHALF OF THE BOARD

Judith Stirk **Trustee**

Approved by the Board on 27 September 2007

The notes on pages 11 to 19 form part of these financial statements

1 ACCOUNTING POLICIES

(a) **Accounting convention**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective January 2005) and in accordance with the recommendations in the Statement of Recommended Practice Accounting and Reporting by Charities (SORP) issued in March 2005

(b) **Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy The following specific policies are applied to particular categories of income

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant
- Donated services and facilities are included at the value to the charity where this can be quantified The value of services provided by volunteers has not been included in these accounts Assets donated are recognised in full as donations and fixed assets
- Grants and fees received for current year expenditure and grants for purchase of fixed assets are recognised in full in the Statement of Financial Activities in the period in which they are received, provided that the conditions for receipt have been complied with
- Income is deferred only where the criteria for recognition as incoming resources in the Statement of Financial Activities does not exist at the balance sheet date

(c) **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred Resources expended include VAT which cannot be recovered and is reported as part of the expenditure to which it relates

- Costs of generating funds comprise the costs associated with attracting voluntary income
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource Costs relating to a particular activity are allocated directly, others are apportioned on the basis of time spent

Note

(d) **Depreciation and diminution in value of assets**
Tangible fixed assets are stated at cost less depreciation Items of equipment are capitalised where the purchase price exceeds £300
Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Computer equipment	25% straight line
Fixtures, fittings and equipment	25% reducing balance

(e) **Pension costs**
The company operates a defined contribution pension scheme and pension contributions are charged to profit and loss account to spread the cost of the pensions over the employees working lives

(f) **Restricted funds**
Restricted funds represent income provided by the donor for specific purposes Expenditure, which meets those criteria, is charged to the fund together with a fair allocation of management and support costs

(g) **Designated funds**
Designated funds are unrestricted funds earmarked by the Trustees for particular purposes

(h) **Unrestricted funds**
Unrestricted funds represent income receivable or generated for the objects of the charity without further specified purpose and are available as general funds

(i) **Hire purchase and leasing commitments**
Assets under hire purchase contracts or finance leases are capitalised in the balance sheet Those held under hire purchase contracts are depreciated over their estimated useful lives Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period The capital element of the future payments is treated as a liability

Rentals paid under operating leases are charged to the profit and loss account as incurred

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Arts Council England, North East	40,000	13,500	53,500	37,176
DCC Adult and Community Services	15,000	-	15,000	15,000
Sunderland City Council	40,000	-	40,000	50,000
DCC Children and Young Peoples Service	15,000	-	15,000	15,000
	110,000	13,500	123,500	117,176

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Bank interest received	14,902	-	14,902	8,867

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Artsmark	1,148	-	1,148	200
Arts Council England, CSDI	-	6,553	6,553	-
Breaking The Rules	-	-	-	1,373
Bridges	-	-	-	20,000
Cultural Hubs year 1	-	20,000	20,000	281,035
Cultural Hubs year 2	39,000	256,087	295,087	-
DCC YES Drama/Film Commissions	-	-	-	10,000
DCC Sculpture in the Park	-	-	-	10,570
Summer Schools 2005	-	-	-	5,000
Small World, Big Dream Festival Durham 2005	-	-	-	17,800
Small World, Big Dream Festival Durham 2006	16,000	-	16,000	-
Small World, Big Dream Festival Sunderland 2005	-	-	-	10,720
Small World, Big Dream Festival Sunderland 2006	7,740	-	7,740	-
World Culture 2006 Education programme	800	-	800	12,500
World Culture 2006 Jaipur Kawa Brass Band	-	-	-	7,500
Artslink 05/06	-	-	-	7,750
Artslink 06/07	10,500	-	10,500	-
60 Seconds To Go	-	-	-	10,000
Connect Sunderland 2005/2006	-	-	-	4,800
Connect Sunderland 2006/2007	30,655	-	30,655	-
My City	-	10,000	10,000	-
CDSAOG	-	10,000	10,000	-
	105,843	302,640	408,483	399,248

5 **Costs of generating voluntary income**

	Unrestricted funds	Restricted funds	Total 2007	Total 2006
	£	£	£	£
Salaries and employers NI	16,837	-	16,837	16,848
Staff pensions	2,327	-	2,327	2,002
	19,164	-	19,164	18,850

6 **Costs of charitable activities**

	Unrestricted funds	Restricted funds	Total 2007	Total 2006
Direct costs	£	£	£	£
Breaking The Rules	-	-	-	12,818
Bridges	-	-	-	13,948
Cultural Hubs year 1	-	95,133	95,133	82,629
Cultural Hubs year 2	-	120,791	120,791	-
DCC Sculpture In The Park	-	-	-	7,997
DCC YES Film/ Drama Commissions	-	9,623	9,623	4,000
Small World, Big Dream Festival Durham 2006	17,355	-	17,355	-
Small World, Big Dream Festival Sunderland 2006	8,255	-	8,255	-
Small World, Big Dream Festival Durham 2005	-	-	-	19,250
Small World, Big Dream Festival Sunderland 2005	-	-	-	12,385
Small World, Big Dream Festival Durham 2004	-	-	-	1,000
Artslink 04/05	-	-	-	4,038
Artslink 05/06	3,319	-	3,319	6,231
Artslink 06/07	6,370	-	6,370	-
60 Seconds To Go	800	-	800	7,502
Creative Partnerships Bursary	-	1,136	1,136	2,000
Legal Services	-	-	-	8,465
Connect Sunderland 2005/2006	2,274	-	2,274	1,691
Connect Sunderland 2006/2007	7,887	-	7,887	-
ACE Professional Development Research	-	-	-	142
CSDI	-	11,373	11,373	63
Every Child Matters	-	-	-	1,500
Payback South	-	-	-	8,042
Roots/Routes	-	-	-	4,575
Sparks Sunderland 03/04	-	-	-	1,000
Sparks Sunderland 04/05	-	-	-	900
Sparks Durham 04/05	-	-	-	2,285
Sparks Durham 05/06	-	-	-	1,250
Sparks Durham 06/07	1,500	-	1,500	-
Creative Force	-	2,433	2,433	-
World Culture Education	7,890	-	7,890	-
World Culture Jaipur Kawa	8,280	-	8,280	-
Other professional fees	-	-	-	4,308
Staff salaries and employers NI	30,489	-	30,489	30,751
Staff pensions	4,292	-	4,292	5,238
	98,711	240,489	339,200	244,008

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007
(continued)

	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Support costs				
Staff salaries and employers NI	40,494	-	40,494	14,893
Staff pensions	5,574	-	5,574	1,335
Printing and stationery	1,131	-	1,131	1,119
Travel expenses	1,670	-	1,670	2,832
Staff training	3,110	-	3,110	210
Books and publications	77	-	77	24
Marketing	1,875	-	1,875	778
Insurance	1,791	-	1,791	1,030
Telephone and postage	2,717	-	2,717	2,632
Refreshments	933	-	933	-
Office costs	4,401	-	4,401	-
Sundry	1,211	-	1,211	2,870
Bank charges	115	-	115	-
Depreciation	1,207	-	1,207	1,907
	66,306	-	66,306	29,343
	165,017	240,489	405,506	273,351

7 **Governance costs**

	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Salaries and employers NI	4,767	-	4,767	14,761
Staff pensions	652	-	652	1,317
Legal fees	-	-	-	59
Accountancy and audit	4,708	-	4,708	2,800
Annual return filing fee	30	-	30	30
	10,157	-	10,157	18,967

8 **OPERATING PROFIT**

This is stated after charging	2007 £	2006 £
Depreciation on owned assets	1,207	1,620
Auditors remuneration	4,708	2,800
Staff pensions	13,236	9,892

9 **Paid employees**

	2007	2006
	£	£
Staff costs		
Gross wages and salaries	106,134	77,605
Staff pension	15,799	9,892
Employers National Insurance costs	8,623	8,346
	130,556	95,843

No employee received remuneration of more than £60,000 per annum

Average number of full time equivalent employees in the year	2007	2006
Trustees	5	5
Fundraising	1	1
Charitable activities	3	2
	9	8

None of the trustees received any remuneration during this year or last year

10 **TAXATION**

County Durham Arts In Education Agency is a registered charity and has no liability to corporation tax

11 **TANGIBLE FIXED ASSETS**

	£
Cost	
At 1 April 2006	10,202
Additions	1,827
At 31 March 2007	12,029
Depreciation	
At 1 April 2006	6,581
Charge for year	1,207
At 31 March 2007	7,788
Net Book Value	
At 31 March 2006	3,621
At 31 March 2007	4,241

12 DEBTORS

	2007	2006
Trade debtors	202,695	64,705
Prepayments	806	721
Accrued income	3,805	657
	207,306	66,083

13 CASH AT BANK AND IN HAND

	2007 £	2006 £
Bank deposit accounts	437,497	258,356
Bank current accounts	91,016	132,908
Cash in hand	165	376
	528,678	391,640

14 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade creditors	13,781	12,910
Deferred income	173,913	-
Accruals	43,498	51,459
	231,192	64,369

15 ULTIMATE CONTROLLING PARTY

The charitable company is controlled by its trustees

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	4,241	-	-	4,241
Current assets	166,723	100,000	469,261	735,984
Current liabilities	23,356	-	207,836	231,192
	147,608	100,000	261,425	509,033

17 **Accrued pension contributions**

Included within pension contributions are £4,767 of accrued costs

18 **Restricted funds**

Movement in major funds

	Balance 31/3/06	Incoming Resources	Resources Expended	Transfer Between Funds	Balance 31/3/07
Restricted funds					
Cultural Hubs Yr 1	168,406	20,000	95,133	(5,000)	88,273
Cultural Hubs Yr 2	-	256,087	120,791	(5,000)	130,296
YES – film/ drama commissions	10,669	-	9,623	(5)	1,041
Creative Partnerships Bursary	5,777	-	1,136	-	4,641
ACE Professional Development Research	2,358	-	-	-	2,358
Sun and Shadows	967	-	-	-	967
Breaking The Rules	2,782	-	-	-	2,782
South Pay Back	2,083	-	-	(2,083)	-
East Pay Back	500	-	-	(500)	-
My City Sunderland	-	10,000	-	-	10,000
CDSAOG	-	10,000	-	-	10,000
CSDI	-	6,553	11,373	4,820	-
Creative Force	-	13,500	2,433	-	11,067
	193,542	316,140	240,489	(7,768)	261,425

Project activities relating to the above restricted funds are detailed below

Cultural Hubs
A pilot programme which aims to ensure that all of our young people have access to a full and cultural life

YES – drama commission
A project working with Willington Primary School using drama to explore children's attitudes and views relating to crime and the impact of crime on their local community

YES – film commission
Production of two short documentary films celebrating the successful project work of the YES

Creative Partnerships Bursary
A professional development bursary for creative practitioners

18 **Restricted funds** (continued)

ACE Professional Development Research
Research commissioned to analyse artists training needs

Sun And Shadows
A digital arts residency programme in early years settings

Breaking The Rules
A pilot project in five primary schools to create a new approach to both teaching and learning through the arts, with specific reference to numeracy and literacy

South Payback
Drama and film based project that will involve young people aged 8 – 13 in school and out of school settings, within the Sedgefield district

East Payback
Drama and film based project that will involve young people aged 8 – 13 in school and out of school settings, within the Easington district

CSDI
A mentoring programme for arts practitioners from the BME community wishing to develop their skills in the Arts Education sector further

Creative Force
A programme aimed at empowering a group of young people improving participation, consultation and decision making in all aspects of managing an arts project

My City
A film commission focusing on anti-littering for Sunderland City Council

CDSAOG (Community Durham Strategic Arts Officers Group)
A research based programme to explore local authority cross departmental arts provision