

COUNTY DURHAM ARTS IN EDUCATION AGENCY

REGISTERED CHARITY NUMBER - 1086471

COMPANY REGISTRATION NUMBER - 04027621

TRUSTEES' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

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COUNTY DURHAM ARTS IN EDUCATION AGENCY

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COUNTY DURHAM ARTS IN EDUCATION AGENCY

COMPANY INFORMATION

Company Registered Number

04027621

Charity Registered Number

1086471

Directors / Trustees

M Fleming
B D Ebbatson
P J James (resigned October 2010)
J Stirk
S Campbell
F O'Connor
C M Murphy

Company Secretary

A Harrington

Registered Office & Principal Place of Business

Stanley Education Centre
King Edward VIII Terrace
Shield Row
Stanley
Co Durham
DH9 0HQ

Independent Examiner

G C Torbitt
Chartered Accountant
27 Durham Road
Birtley
Co. Durham
DH3 2QG

Company Bankers

Unity Trust plc
Nine Brindleyplace
Birmingham
B1 2HB

COUNTY DURHAM ARTS IN EDUCATION AGENCY

TRUSTEES' REPORT

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 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

1 Structure, Governance & Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 5th July 2000 and registered as a charity on 3rd 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.

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.

Induction and training of new 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 is heavily involved in the creation and implementation of key 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 Articles of Association
- Resourcing, budget forecasts and current financial position
- Future plans and objectives.

Organisational structure

The board meets on a quarterly basis. The Executive Director serves as Company Secretary and has no voting rights. Additional committees and working groups are established to explore specific issues. Day to day management of the organisation is through the Executive Director, who is supported by two Directors 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.

COUNTY DURHAM ARTS IN EDUCATION AGENCY

TRUSTEES' REPORT (CONTINUED)

Structure, Governance & Management (continued)

Related parties

The Forge works closely with many partners including cultural practitioners and cultural organisations. We also have 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.

Risk Management

The board works with the Executive 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, safeguarding and best practice in the employment of cultural practitioners and programme delivery.

2 Objectives & Activities

Objectives and aims

The company operates under the trading name of The Forge. The principal activity of the company in the period under review was that of creating participatory arts projects that are courageous, contemporary and excellent. The Forge will make cultural programmes that inspire young people to become successful, confident individuals capable of reaching their full potential.

3 Achievements & Performance

This was the final year of The Forge's three-year development plan 2008-11 which provided an opportunity to reflect on programme delivered, and begin forward planning for 2012 onwards. Arts Council England stated in their Annual Review 2009/10 that The Forge strongly met regular funding criteria in areas relating to: excellence and innovation of the programme; reach; engagement; and governance and management and met criteria in financial sustainability. In addition, a stakeholder consultation during summer 2010 with Durham County and Sunderland City Councils reviewed areas relating to: value for money and capacity to deliver; quality of products, services and personnel; reach and engagement with clients; success in meeting objectives; and uniqueness.

The findings stated that The Forge:

- Has a successful track record and strong partnerships have developed
- Is the main provider for the arts on behalf of Children's Services departments
- Provides bespoke activities and is flexible
- Demonstrated best practice, is efficient and approachable
- Performs well in relation to other organisations
- Is successful in meeting objectives
- Delivers over and above on value for money
- Is trusted and respected

COUNTY DURHAM ARTS IN EDUCATION AGENCY

TRUSTEES' REPORT (CONTINUED)

Achievements and Performance (continued)

The Forge has maintained a high artistic quality across all programmes. Evaluation from artists, participant groups and individuals, and commissioners supports this view. We continue to build in evaluation as a core element of programmes.

In 2010/11 we worked with over 18,400 children and young people, providing over 470 days of employment for over 40 artists. The programme strands have included: mass access offers; projects working with targeted groups; and training and development activity. The programme has involved children and young people in schools and within their communities, working with community activists and their families. The Forge has facilitated international practitioners to work with children and young people and we have undertaken strategic programme in partnership with venues and initiatives, sharing our expertise to develop the capacity and skills of partners. The Forge remains committed to the relationship with Durham County and Sunderland City Councils. In 2010/11 The Forge's programme remained available to almost 50% of schools across the North East through continuing the Northumberland partnership.

Programme: Schools

This has been another strong year for our schools programme. Connections 2009/10 was completed in July 2010 and involved 72 member schools. Connections 2010/11 was launched in September and attracted 50 schools. In 2010/11, five Connections grants were awarded totalling £2,325, which levered match funding from schools of £2,720.

The development of the programme into Northumberland provided:

- three high profile launch days attracting 34% of schools across the County;
- artist in residence days; access to a small grant scheme;
- a community development programme in partnership with Youth Parliament in Northumberland was attended by over 450 people.

In partnership with Creative Partnerships Durham Sunderland, The Forge undertook the role of Creative Agent supporting and leading two Change and two Enquiry schools to create and embed creative learning. Durham County Council commissioned The Forge to programme and manage the schools education programme for the Durham International Brass Festival 2010. This involved 73 sessions, delivered by 10 bands across 30 schools to over 4,000 children and young people. The programme levered significant funds from schools for performances in addition to support from three Durham Area Action Partnerships

Programme: Strategy

The Forge continued to provide an exemplar in supporting Artsmark. Continuing work with the National Artsmark Project Committee, we were the only North East representative joining the committee in April for assessment of Artsmark round 10 applications. The provision of seminar and surgery support to Newcastle Gateshead and Northumberland, in addition to maintaining support for Durham Sunderland and providing training to enable support to be provided across Tees Valley ensured that the profile of Artsmark remained high in the North East. The Forge was invited to be an assessor on the Artsmark test pilot programme during the autumn term

COUNTY DURHAM ARTS IN EDUCATION AGENCY

TRUSTEES' REPORT (CONTINUED)

Achievements and Performance (continued)

Programme: Strategy (continued)

2010 - the only North East assessor - and joined 10 North East organisations led by The Sage Gateshead and commissioned by Arts Council England to investigate the potential of launching Artsmark for arts organisations. We continue to share practice and expertise with colleagues regionally and nationally.

Continuing to support Arts Award, The Forge maintained its role as Adviser Training Provider across Durham and Sunderland in addition to piloting new courses including Arts Award Welcome. Arts Award is incorporated into all relevant programmes delivered by The Forge and during 2010/11, 20 young people achieved their Bronze Arts Award because of support by The Forge.

A six-month consultancy with Arts Centre Washington (ACW) provided an opportunity for The Forge to work closely with ACW's Creative Director and Marketing Assistant to undertake research and make recommendations for the development of a strategic arts education programme framework.

As the Youth Dance England hub managers for Durham and Sunderland, The Forge created many opportunities for children and young people to dance through the delivery of local dance festivals in Durham culminating in two performances at the Gala Theatre in Durham and three local Dance Festivals in Sunderland - one in partnership with Arts Centre Washington. The Forge also co-ordinated 17 Jump clubs for Primary School children in Durham. Two dance groups performed at regional showcases at Newcastle Theatre Royal and The Sage Gateshead. Through our partnership with School Sports Partnerships over 1,000 children and young people engaged in dance activities in 2010/11.

Programme: Communities

Programme involving Communities continues to grow and has been an exciting element of The Forge's programme during 2010/11. A commission from County Durham Positive Futures ensured that 15 girls from Newton Aycliffe Youth Centre were able to create films reflecting their hopes for Newton Aycliffe, a town undergoing major re-development. Leading and developing their project themselves, the girls decided on content and art forms; filmed and edited the films; and planned and delivered their launch event for over 70 friends, family and decision-makers. A project commissioned by Sunderland City Council saw consultation with the East Herrington Community to create a permanent art piece that was installed at Herrington Park in partnership with the Herrington Heritage Society. Dream TV, a project in partnership with County Durham Positive Activities for Young People, saw the creation of a series of films by young people from Derwentside. Across Chester-le-Street, a programme of after-school clubs ran across a range of art forms. International developments included support for the Swallows Programme with Caliber, a troupe of South African dancers and musicians working with children and young people in Derwentside. A partnership with the Centre for Creative Development, Vietnam and Northern Stage enabled the Face to Face exhibition (an exhibition created by a community isolated because of their disabilities) to tour to Newcastle and County Durham.

COUNTY DURHAM ARTS IN EDUCATION AGENCY

TRUSTEES' REPORT (CONTINUED)

Achievements and Performance (continued)

The Organisation

Despite a challenging financial climate, The Forge has delivered well across Durham and Sunderland, also expanding its reach to the larger North East region and, has achieved all targets agreed with Arts Council England.

The Forge's management structure did not substantially change during 2010/11 and was identified by the Board as being appropriate for delivery of the programme. The Finance and HR Committee continued to be strong feature of the organisation's governance with a wide remit for financial management, policy review and human resources. A detailed review of the running costs was undertaken with value for money savings being made which can be evidenced in the financial statements.

Government cuts to Local Authorities have seen major changes that are beginning to filter through to the Voluntary Sector and organisations such as The Forge. Whilst the organisation has remained in a strong position, cuts to Children's Service departments, budget freezes within schools and a focus on best value tendering has resulted in The Forge reviewing and changing marketing approaches to maintain a high profile and high levels of participation in its programmes of work.

4 Principal Funding Sources

Principal funding sources

The principal income sources were Arts Council England, Durham County Council and Sunderland City Council. Other funders included Northumberland County Council, Youth Dance England through Dance City, schools income and County Durham Positive Futures.

5 Financial Review

The largest variance to incoming resources between 2009/10 and 2010/11 is the Metamorphosis project - the final strand of the Cultural Hubs project running from 2005 and ending in March 2010. This coupled with a challenging financial climate resulted in less direct income from schools, due in particular to local authority cuts which was taken into consideration when the budget was set for 2010/11.

To offset the projected income reduction, the trustees allocated a proportion of the reserve budget to enable The Forge to continue to deliver exemplary projects.

However, The Forge maintained partnerships with both Durham County and Sunderland City Councils. This together with new project commissions to deliver the education programme for Brass: Durham International Festival, County Durham Positive Futures, and the expanding portfolio with Youth Dance England demonstrated the strong track record that the organisation has in partnership working and programme delivery.

The trustees and staff looked at the running costs of the organisation and, apart from the marketing, which is a one off cost, these were substantially reduced.

COUNTY DURHAM ARTS IN EDUCATION AGENCY

TRUSTEES' REPORT (CONTINUED)

Financial Review (continued)

The Forge remains healthy and stable due to the strength of its partnerships and accumulated reserve. We continue to perform within a difficult economic situation.

The total incoming resources for the year were £213,336. This represents a decrease of £170,874 from the previous year total of £384,210, due mainly to the culmination of the Metamorphosis project. The total resources expended were £268,859, a decrease of £72,174 from the previous year total of £341,033. A deficit of £24,091 on unrestricted or core activities was incurred. A deficit of £31,432 on restricted activities was incurred due to income being received in 2009/10 and spent in 2010/11. Unrestricted funds carried forward total £278,570 to fulfil the aims of our reserve policy.

The trustees can report that the actual proportion of reserve allocated in 2010/11 was less than projected and income against expenditure will continue to be regularly reviewed in 2011/12 to ensure The Forge remains financially healthy and stable. The trustees are satisfied with this result.

6 Investment Policy

There remained a similar level of investment income between 2009/10 and 2010/11. This was partly due to a drop in investible funds but primarily and more importantly due to the continued flatlining of the economy. A new investment strategy has been developed and will be implemented by the trustees to maximise the value of our resources.

7 Reserves Policy

The trustees have established the levels of reserves for the organisation. The benefits of the policy are as follows:

- Strategic planning and the ability to meet current commitments or start new activities.
- A focus on fundraising activities to maintain excellent delivery of activity in a challenging financial climate.
- Clear, transparent policy for stakeholders and other interested parties to illustrate that funds are prudently managed.

The trustees consider it prudent that unrestricted reserves should be sufficient to:

- To sustain the organisation for a nine month period to enable it to meet contractual liabilities and maintain service provision in the event of delays with receipt of funding or should it have to close: £106,000.
- Provide for redundancy: £10,000
- To provide funds that can be designated to specific projects including digital innovation, international collaboration and staff development: £44,000.

The level of reserves to fund the above is £160,000. The level of reserves are monitored and reviewed by the trustees at the annual meeting.

COUNTY DURHAM ARTS IN EDUCATION AGENCY

TRUSTEES' REPORT (CONTINUED)

8 Public benefit

From April 2008, section 4 the Charities Act 2006 requires all charities to meet the legal requirement that its aims are for the public benefit. The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit.

The Charity Commission states that there are two principles to be met in order to show that an organisation's aims are for the public benefit: firstly there must be an identifiable benefit or benefits and secondly that the benefit must be to the public, or a section of the public.

9 Future developments

The Forge is an example of an arts organisation that is flexible and can adapt its working model to maintain performance and levels of engagement with children and young people. The development of a new business plan will outline how the organisation will continue to deliver an ambitious programme and manage risk in a challenging financial climate. The Forge's key areas of strategic development for 2011/12 are to:

- Continue to develop The Forge's position as a leading and trusted provider of arts and cultural opportunities for children and young people, building partnerships with new and existing stakeholders.
- Develop a new business plan outlining ambitious programme, income generation, and risk management.
- Maintain a relationship with Arts Council England through an application to the National Portfolio Programme.
- Continue to promote a strong offer to schools in line with Department for Education emerging strategy.
- Support the profile of Arts Award and Artsmark, Arts Council England schemes for children and young people.
- Further develop our relationship with children, young people and their communities, seeking new income generation sources to support the development of active citizens.

10 Statement of Trustees responsibilities

The trustees (who are also the directors of County Durham Arts in Education Agency 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 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

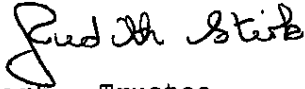
COUNTY DURHAM ARTS IN EDUCATION AGENCY

TRUSTEES' REPORT (CONTINUED)

Statement of Trustees responsibilities (continued)

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.

On behalf of the board 20th October 2011



J Stirr - Trustee

COUNTY DURHAM ARTS IN EDUCATION AGENCY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

COUNTY DURHAM ARTS IN EDUCATION AGENCY

DIRECTORS' REPORT

The directors (who are also the trustees) are pleased to present their report for the year ended 31 March 2011.

PRINCIPAL ACTIVITY

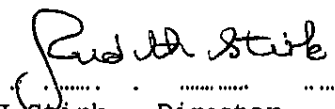
The charity's principal activity continues to be the creation of participatory arts projects that are courageous, contemporary and excellent.

DIRECTORS

The directors who served during the year were M Fleming, B D Ebbatson, P J James, J Stirk, S Campbell, F O'Connor and C M Murphy.

SMALL COMPANY STATUS

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, was approved by the board on 20th October 2011 and is signed on its behalf by:


J Stirk - Director

COUNTY DURHAM ARTS IN EDUCATION AGENCY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF COUNTY DURHAM ARTS IN EDUCATION AGENCY FOR THE YEAR ENDED 31ST MARCH 2011

I report on the financial statements of the Charity for the year ended 31st March 2011 which are set out on pages 12 to 20.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND EXAMINER

The trustees (who are also the directors of the company for the purpose of company law) are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having been satisfied that the charity is not subject to audit under company law and is eligible for independent examination it is my responsibility to:

- examine the financial statements under section 43 of the 1993 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7) (b) of the 1993 Act; and
- to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

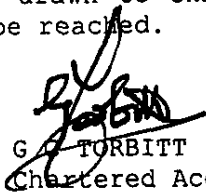
My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 41 of the Act; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the Act;have not been met, or
- 2 to which, in my opinion, attention should be drawn to enable a proper understanding of the financial statements to be reached.

20th October 2011


G. C. TORBITT
Chartered Accountant
27 Durham Road
Birtley
Co Durham
DH3 2QG

COUNTY DURHAM ARTS IN EDUCATION AGENCY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2011

	<u>Notes</u>	<u>Unrestricted</u> £	<u>Restricted</u> £	<u>Total</u> <u>2011</u> £	<u>Total</u> <u>2010</u> £
<u>INCOMING RESOURCES</u>					
Incoming Resources from generated funds:					
Voluntary income	2	93,111	-	93,111	95,523
Investment income		825	-	825	862
Incoming Resources from Charitable activities:					
Arts in Education Projects	3	26,831	92,569	119,400	287,825
Total incoming resources		120,767	92,569	213,336	384,210
<u>RESOURCES EXPENDED</u>					
Cost of generating funds					
Cost of generating voluntary income	4	28,353	-	28,353	27,954
Charitable activities					
Arts in Education Projects	4	110,084	124,001	234,085	303,855
Governance Costs	4	6,421	-	6,421	9,224
Total Resources Expended		144,858	124,001	268,859	341,033
Net incoming/(outgoing) resources		(24,091)	(31,432)	(55,523)	43,177
Reconciliation of funds					
Total funds brought forward		302,661	44,738	347,399	304,222
TOTAL FUNDS CARRIED FORWARD		278,570	13,306	291,876	347,399

The notes on pages 14 to 20 form part of these financial statements

COUNTY DURHAM ARTS IN EDUCATION AGENCY

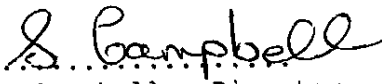
BALANCE SHEET AT 31ST MARCH 2011

	Notes	£	<u>2011</u> £	£	<u>2010</u> £
FIXED ASSETS					
Tangible assets	8		6,825		1,324
CURRENT ASSETS					
Debtors	9		7,340		85,148
Cash at bank and in hand			347,132		454,790
			-----		-----
			354,472		539,938
CREDITORS: amounts falling due within one year	10		69,421		193,863
			-----		-----
NET CURRENT ASSETS			285,051		346,075
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			291,876		347,399
			=====		=====
FUNDS	11				
Unrestricted funds			278,570		302,661
Restricted funds			13,306		44,738
			-----		-----
TOTAL FUNDS			291,876		347,399
			=====		=====

For the financial year ended 31st March 2011 the company was entitled to exemption from audit under section 477 Companies Act 2006 and no notice has been deposited under section 476.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s 386 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the 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 accounts, so far as applicable to the company.

Signed on behalf of the board of directors on 20th October 2011


S Campbell - Director

The notes on pages 14 to 20 form part of these financial statements

COUNTY DURHAM ARTS IN EDUCATION AGENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and include the results of the charity's operations which are described in the report of the trustees and all of which are continuing.

The financial statements have been prepared in compliance with Statement of Recommended Practice on Charity Accounts.

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement.

(b) Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

(c) Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of executive and support costs.

(d) Incoming resources

Incoming resources refers to local and central authority funding, and other grants and donations received. In accordance with the Statement of Recommended Practice they are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

(e) Resources expended

Charitable expenditure

Expenditure on operational programmes is recognised in the period in which it is incurred.

Costs of managing and administering the charity

These represent costs incurred that are attributable to the management of the charity's assets, organisation of the administration and compliance with constitutional and statutory requirements.

Resources expended includes VAT which cannot be recovered.

COUNTY DURHAM ARTS IN EDUCATION AGENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011 (CONTINUED)

1 ACCOUNTING POLICIES (continued)

(f) Tangible Fixed Assets and Depreciation

Tangible fixed assets for use by the charity are stated at cost less depreciation.

Depreciation of tangible fixed assets is calculated to write off the cost of fixed assets over their estimated useful lives as follows:-

Office equipment - 15% reducing balance

Direct charitable expenditure on fixed assets, for both the restricted and the unrestricted funds of the charity, is shown as additions to fixed assets in note 6.

(g) Operating leases

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

2 VOLUNTARY INCOME

	2011	2010
	£	£
Arts Council England, North East	43,111	42,190
DCC Adult and Community Services	30,000	30,000
Sunderland City Council	20,000	23,333
	-----	-----
	93,111	95,523
	=====	=====

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Grants received are as follows:

	2011	2010
	£	£
Artsmark	1,352	4,175
Youth Digital Music	2,000	-
Northumberland Arts Project	26,165	15,000
Brass Education Project	20,000	-
Connections	21,935	33,100
Dream TV/CDSAOG	120	30,000
Arts Award	3,544	5,023
After School Clubs	2,128	-
Northern Learning Trust	-	1,250
Youth Dance England	24,327	18,200
Creative Partnerships Durham & Sunderland	400	10,250
Metamorphosis	-	155,213
Photovoice 1	-	2,309
AONB	-	6,175
Face to Face	-	930
Positive Futures	15,429	200
Herrington Hall Stones project	2,000	6,000
	-----	-----
	119,400	287,825
	=====	=====

COUNTY DURHAM ARTS IN EDUCATION AGENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011 (CONTINUED)

4 OUTGOING RESOURCES

	2011		2010	
	£	£	£	£
Costs of generating voluntary income				
Wages	22,829		22,828	
Social security	1,884		1,894	
Pensions	3,640		3,232	
	-----	28,353	-----	27,954
Charitable activities				
Wages	80,549		78,846	
Social security	6,826		6,629	
Pensions	10,693		10,166	
Other direct project costs	103,828		174,221	
Support Costs - Management				
Wages	8,220		7,072	
Social security	687		433	
Finance Support	2,862		2,466	
Other Costs				
Insurance	1,201		2,212	
Telephone	1,112		1,222	
Postage and stationery	1,280		4,328	
Sundries	8,255		10,983	
Travelling	2,142		2,647	
Books and Subscriptions	131		50	
Marketing	3,796		270	
Office maintenance	893		1,061	
Bank charges	154		76	
Depreciation	1,456		778	
Loss on sale of tangible fixed assets	-		485	
	-----	234,085	-----	303,855
Governance Costs				
Wages	4,367		4,117	
Social security	340		315	
Pensions	754		744	
Audit & accountancy	960		3,988	
	-----	6,421	-----	9,224
		-----		-----
Total resources expended		268,859		341,033
		=====		=====

COUNTY DURHAM ARTS IN EDUCATION AGENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2011 (CONTINUED)

5 NET INCOME/(OUTGOING) RESOURCES

Net resources are stated after charging:

	2011	2010
	£	£
Auditor's remuneration	-	3,988
Depreciation - owned assets	1,456	778
Deficit on disposal of fixed asset	-	485
	-----	-----
	1,456	5,251
	=====	=====

6 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2011 (2010 nil).

7 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	116,186	112,923
Social security costs	9,737	9,271
Other pension costs	15,087	14,142
	-----	-----
	141,010	136,336
	=====	=====

The average monthly number of employees during the year was:-

	2011	2010
Trustees	7	7
Fundraising	1	1
Charitable activities	3	3
	---	---
	11	11
	===	===

COUNTY DURHAM ARTS IN EDUCATION AGENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011 (CONTINUED)

8 TANGIBLE FIXED ASSETS

	<u>Equipment</u> £
COST	
At 1 st April 2010	10,873
Additions	6,957

At 31 st March 2011	17,830
	=====
DEPRECIATION	
At 1 st April 2010	9,549
Charge for year	1,456

At 31 st March 2011	11,005
	=====
NET BOOK VALUES	
At 31 st March 2011	6,825
	=====
NET BOOK VALUES	
At 31 st March 2010	1,324
	=====

9 DEBTORS

Due within one year:-

	2011	2010
	£	£
Trade debtors	5,190	83,985
Other debtors	2,150	1,163
	-----	-----
	7,340	85,148
	=====	=====

10 CREDITORS

Amounts falling due within one year:-

	2011	2010
	£	£
Trade creditors	2,970	93
Other creditors	66,451	193,770
	-----	-----
	69,421	193,863
	=====	=====

COUNTY DURHAM ARTS IN EDUCATION AGENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011 (CONTINUED)

11 MOVEMENT IN FUNDS

	At 01.04.10 £	Incoming Resources £	Resources Expended £	Tranfers Between Funds £	Balance 31.03.11 £
Unrestricted funds					
General fund	142,661	120,767	144,858	-	118,570
Designated fund	160,000	-	-	-	160,000
	-----	-----	-----	-	-----
	302,661	120,767	144,858	-	278,570
	=====	=====	=====	=====	=====
Restricted funds					
Creative Partnerships	-	400	400	-	-
Northumberland Arts Project	-	26,165	26,165	-	-
Dream TV/CDSAOG	11,949	120	12,069	-	-
After School Clubs	-	2,128	2,128	-	-
YES - Film/drama commissions	1,041	-	1,041	-	-
Creative Partnerships Bursary	4,641	-	4,641	-	-
ACE Professional Development					
Research	2,358	-	2,358	-	-
Sun and Shadows	967	-	967	-	-
Brass Education	-	20,000	11,797	-	8,203
Breaking the Rules	2,782	-	2,782	-	-
Youth Dance England	-	24,327	24,327	-	-
Creative Force/Youth Digital					
Music	2,503	2,000	-	-	4,503
Artslink	4,497	-	4,497	-	-
HH Stones Project	14,000	2,000	16,000	-	-
Durham CC Positive Futures	-	15,429	14,829	-	600
	-----	-----	-----	-----	-----
	44,738	92,569	124,001	-	13,306
	=====	=====	=====	=====	=====
TOTAL FUNDS	347,399	213,336	268,859	-	291,876
	=====	=====	=====	=====	=====

Project Activity Summaries

Creative Partnerships: undertaking a Creative Agent role to support schools in the delivery of their enquiry based programmes.

Northumberland Arts Project: a wide ranging arts offer providing access for schools and youth groups.

After Schools Clubs: the provision of cross art form after school activity across Chester-le-Street.

YES - Film/drama commissions: commissions from the County Durham Youth Engagement Service to create films celebrating the work of the organisation, and working with children to explore their attitudes and views of crime and the impact of crime on their community.

Creative Partnerships Bursary: a professional development bursary for creative practitioners

COUNTY DURHAM ARTS IN EDUCATION AGENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011 (CONTINUED)

ACE Professional Development Research: a research commission to analyse artists training needs.

Sun and Shadows: a digital arts residency programme in early years settings.

Brass Education: management and evaluation of the Brass 2010 Durham International Festival Education Programme.

Breaking the Rules: a pilot schools programme to create a new approach to teaching and learning through the arts, with a specific focus on numeracy and literacy.

Youth Dance England: undertaking the role of Youth Dance Hub Partner for both County Durham and Sunderland, planning and delivering programme to raise the profile of dance.

CDSAOG/Dream TV: a film-making project with young people in County Durham youth clubs exploring identity.

Creative Force: a programme promoting participation, consultation and decision-making by young people through the delivery of arts activity.

Youth Music: a new music commission by young people in County Durham.

Artslink: a Durham schools workshop programme.

Herrington Stones: a public art commission working with children and community members in the Herrington area of Sunderland.

Positive Futures: a programme providing opportunities for young people to explore the arts and work towards their Arts Award.

12 ULTIMATE CONTROLLING PARTY

The charitable company is controlled by its trustees.

COUNTY DURHAM ARTS IN EDUCATION AGENCY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2011

	2011		2010	
	£	£	£	£
INCOMING RESOURCES				
Voluntary income				
Arts Council England, North East	43,111		42,190	
DCC Adult and Community Services	30,000		30,000	
Sunderland City Council	20,000		23,333	
	-----	93,111	-----	95,523
Investment income		825		862
Incoming resources from charitable activities		119,400		287,825
		-----		-----
Total incoming resources		213,336		384,210
RESOURCES EXPENDED				
Costs of generating voluntary income				
Wages	22,829		22,828	
Social security	1,884		1,894	
Pensions	3,640		3,232	
	-----	28,353	-----	27,954
Charitable activities				
Wages	80,549		78,846	
Social security	6,826		6,629	
Pensions	10,693		10,166	
Other direct project costs	103,828		174,221	
	-----	201,896	-----	269,862
Support Costs - Management				
Wages	8,220		7,072	
Social security	687		433	
Finance Support	2,862		2,466	
Other Costs				
Insurance	1,201		2,212	
Telephone	1,112		1,222	
Postage and stationery	1,280		4,328	
Sundries	8,255		10,983	
Travelling	2,142		2,647	
Books and Subscriptions	131		50	
Marketing	3,796		270	
Office maintenance	893		1,061	
Bank charges	154		76	
Depreciation	1,456		778	
Loss on sale of tangible fixed assets	-		485	
	-----	32,189	-----	26,238
Governance Costs				
Wages	4,367		4,117	
Social security	340		315	
Pensions	754		744	
Audit & accountancy	960		3,988	
	-----	6,421	-----	9,224
		-----		-----
Total resources expended		268,859		341,033
		-----		-----
Net income/(expenditure)		(55,523)		43,177
		=====		=====

This page does not form part of the statutory financial statements