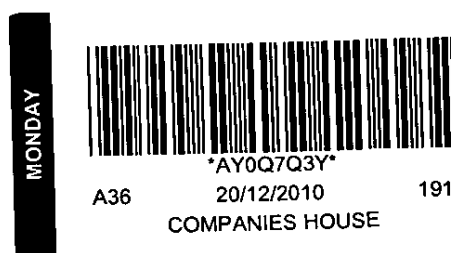


COMPANY REGISTRATION NUMBER 05028177

**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**



**RSM Tenon Limited**  
Accountants and Business Advisers  
Tenon House  
Ferryboat Lane  
Sunderland  
SR5 3JN

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**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

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**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED**  
**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

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**Trustees**

Jim Craig  
Brendan Hill  
Alisdair Cameron  
Venita Kanwar  
Douglas Hunter  
Christine Lopez  
Jim Cousins

**Company secretary**

David Belk

**Company number**

05028177

**Registered office**

Buttress House  
36 Brenkley Way  
Seaton Burn  
Tyne and Wear  
NE13 6DS

**Accountants**

RSM Tenon Limited  
Tenon House  
Ferryboat Lane  
Sunderland  
SR5 3JN

**Bankers**

Unity Trust Bank  
Nine Brindleyplace  
Birmingham  
B1 2HB

Santander UK Plc  
Business Banking  
301 St Vincent Street  
Glasgow  
G2 5NT

**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2010**

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The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2010

**INTRODUCTION**

The following information about the financial year 2009/10 is presented in the format required by the Charity Commission

The Charity's full name is Newcastle and Gateshead Arts Studio Limited ("NAGAS")

NAGAS is a company limited by guarantee number 05028177, incorporated on 28 January 2004 and is governed by its articles and memorandum. It is a registered charity, number 1116957

**REFERENCE AND ADMINISTRATION DETAILS**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements

**OBJECTIVES OF THE CHARITY**

To advance the education of the public, in particular persons suffering from the effects of mental illness and mental health problems, living in Newcastle and Gateshead (here-in after called the "area of benefit" through the use and promotion of art and artistic and creative activities

**REVIEW OF ACTIVITIES, DEVELOPMENTS AND ACHIEVEMENTS**

**Studio work**

NAGAS has continued to deliver its service over this period in

- 4 day a week art studio service @ The Blackfriars Centre, 10am till 5pm
- 4 day a week art studio service @ St Nicholas' Hospital (this was a time restricted service and has now ended as of 30<sup>th</sup> July 2010)
- 1 day a week music service from the Sage Gateshead

Within these services we have run additional projects for different lengths of time in Printmaking, photography, pottery, felt making and digital manipulation of artwork

**Funding**

During this period the management of NAGAS has approached numerous funding streams with many reaching the last stages of review before being unfortunately declined. This though frustrating is very much a common feature to organisations such as ours, especially now with funding streams being even more competitive than ever

**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2010**

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**Future planning for funding**

As well as continuing on the focus around approaching charitable grants NAGAS is now reviewing its position around the new 'Personalisation agenda', and how it can develop a system to incorporate it into our working programme. Since the beginning of the year NAGAS has started charging a membership fee which is broken down into £10 every 3 months for each member. This very gentle first step approach to charging will hopefully ease the change into the personalisation agenda. NAGAS is acutely aware through negotiations with its members about the potential for unrest if sudden changes are implemented.

Though complex the personalisation agenda may very well become NAGAS's main source of income in future years as NAGAS has very high attendance levels at relatively low cost and unlike many other services does not rely on block funding from the LA or local health trusts.

**Board**

NAGAS's board is currently under review to bring in new trustees and encourage greater service user involvement. Much support is provided by NAGAS's Chairman who has helped NAGAS to develop as a service and provide operational and financial support via Mental Health Concern. This relationship ensures accounts are correctly managed and supervision is offered to the manager who works within an environment with some very difficult and challenging behaviour.

NAGAS's new board members, once on board, will be able to support and develop the professional practice of NAGAS while injecting a new impetus to future work. However it will also be acutely aware that additional funding will be required to secure the future of NAGAS in 2011.

**Additional services**

The Art Room at St Nicholas was identified as a service which no longer fits into the NHS Trust's 'way of working' and therefore was to be closed.

NAGAS was aware that without supporting the Art Room service users, they would lose a valuable service without any transition period. With that in mind NAGAS came in with a proposal to support the service. This could only be achieved if it received funding from the Trust, due to the trust's requirements to save money this would be only be until foundation status application in 18 months. This was achieved and NAGAS started management officially in the first week of May 2009.

NAGAS has supported members of the Art Room to become comfortable at using our community based Blackfriars Art Studio service. This allows for a much more considerate and well thought out closure of the Art Room while helping to establish The Blackfriars service.

To manage this transition NAGAS employed an additional worker. The new post will move into the Blackfriars studio service in August 2010 and offer invaluable support to the Studio manager by being able to work as both a professional artist and experienced fund raiser.

**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2010**

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**RESULTS**

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements

**THE TRUSTEES**

The trustees who served the charity during the period were as follows

Mark Scrimshaw (resigned 1 September 2010)

Jim Craig

Brendan Hill

Alisdair Cameron

Venita Kanwar

The following trustees were appointed on 12 October 2010

Douglas Hunter

Christine Lopez

Jim Cousins

**TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Newcastle and Gateshead Arts Studio Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report 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 these financial statements, the trustees are required to

select suitable accounting policies and then apply them consistently,

observe the methods and principles in the Charities SORP,

make judgements and estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2010**

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The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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.

Signed on behalf of the trustees on 13 December 2010

A handwritten signature in black ink, reading "Brendan Hill". The signature is written in a cursive, flowing style.

Brendan Hill  
Trustee

**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED**

**YEAR ENDED 31 MARCH 2010**

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I report on the accounts of the company for the year ended 31 March 2010, which are set out on pages 8 to 12

This report is made solely to the charity's trustees, as a body in accordance with Section 43 of the Charities Act 1993. My examination work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for my examination work, for this report, or for the opinions I have formed.

**Respective responsibilities of trustees and examiner**

The charity's trustees (who are also the directors of the company for the purpose of company law) are responsible for the preparation of the accounts. 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. I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

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

- examine the accounts 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 Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.



**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED**

**YEAR ENDED 31 MARCH 2010**

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**Independent examiner's statement**

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements
- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities have not been met, or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Iain Corner  
For and on behalf of  
*RSM Tenon Limited*  
RSM Tenon Limited  
Accountants and Business Advisers  
Tenon House  
Ferryboat Lane  
Sunderland  
SR5 3JN

Date 14 December 2010

**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31 MARCH 2010**

	<b>Note</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2010 £</b>	<b>Total Funds 2009 £</b>
<b>INCOME AND EXPENDITURE</b>					
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income	<b>2</b>	<u>93,379</u>	<u>19,992</u>	<u>113,371</u>	<u>91,929</u>
<b>Total incoming resources from generated funds</b>		<u>93,379</u>	<u>19,992</u>	<u>113,371</u>	<u>91,929</u>
 <b>Incoming resources from charitable activities:</b>					
		<u>1,797</u>	<u>—</u>	<u>1,797</u>	<u>672</u>
<b>Total incoming resources</b>		<u>95,176</u>	<u>19,992</u>	<u>115,168</u>	<u>92,601</u>
 <b>RESOURCES EXPENDED</b>					
Charitable activities		<u>87,767</u>	<u>19,992</u>	<u>107,759</u>	<u>89,232</u>
Governance costs	<b>3</b>	<u>1,763</u>	<u>—</u>	<u>1,763</u>	<u>15</u>
<b>Total resources expended</b>		<u>89,530</u>	<u>19,992</u>	<u>109,522</u>	<u>89,247</u>
 <b>Net Incoming/(Outgoing) resources for the year</b>					
		<u>5,646</u>	<u>—</u>	<u>5,646</u>	<u>3,354</u>
Balances brought forward		<u>10,256</u>	<u>—</u>	<u>10,256</u>	<u>6,902</u>
Balances carried forward		<u>15,902</u>	<u>—</u>	<u>15,902</u>	<u>10,256</u>

The charity has no recognised gains or losses other than the results for the year as set out above

All of the activities of the charity are classed as continuing

The notes on pages 10 to 13 form part of these financial statements

**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**31 MARCH 2010**

	Note	2010 £	£	2009 £	£
<b>Current assets</b>					
Debtors	5	1,995		—	
Cash at bank and in hand		16,125		29,932	
		<u>18,120</u>		<u>29,932</u>	
<b>Creditors: Amounts falling due within one year</b>	6	<u>(2,218)</u>		<u>(19,676)</u>	
<b>Total assets less current liabilities</b>			<u>15,902</u>		<u>10,256</u>
<b>Funds</b>					
Restricted			—		—
Unrestricted			15,902		10,256
<b>TOTAL FUNDS</b>			<u>15,902</u>		<u>10,256</u>

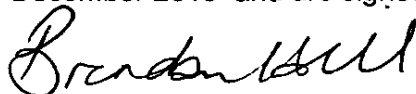
The trustees are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477 and that no member or members have requested an audit pursuant to section 476 of the Act

The trustees acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements 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 section 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the members of the committee on the 13 December 2010 and are signed on their behalf by



Brendan Hill  
Trustee

The notes on pages 10 to 13 form part of these financial statements

**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice, '*Accounting and Reporting by Charities*' (SORP 2005), issued in March 2005.

**Income**

Income is recognised in the period in which the charitable company is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor specifies that it is to be expended in a future period.

**Donations and grants**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When the donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

**Cash flow statement**

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

**Voluntary income**

Voluntary income received by way of donations and gifts to the charity is included in full in the statement of financial activities when received.

**Charitable activities**

Newcastle and Gateshead Arts Studio Limited has taken advantage of the exemption provided by the Charities SORP, not to use the expenditure headings and sub-headings as defined by the SORP.

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**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

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**1. ACCOUNTING POLICIES *(continued)***

**Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT, which cannot be recovered

Expenditure is recognised when a liability is incurred

- Governance costs include accountancy and professional fees

**Fund accounting**

Funds held by the charity are

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects, at the discretion of the trustees

**2. VOLUNTARY INCOME**

	<b>Total Funds 2010 £</b>	<i>Total Funds 2009 £</i>
Donations	113,371	91,929

**3. GOVERNANCE COSTS**

	<b>Total Funds 2010 £</b>	<i>Total Funds 2009 £</i>
Accountancy fees	1,763	15

**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED**  
**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**4. EMPLOYEE INFORMATION**

<b>Staff costs</b>	<b>Total Funds 2010 £</b>	<b>Total Funds 2009 £</b>
Wages and salaries	38,335	29,999
Social security costs	3,552	2,344
Other pension costs	—	—
	<u>41,887</u>	<u>32,343</u>

**Particulars of employees**

The average number of staff employed by the charity during the year amounts to

	<b>2010</b>	<b>2009</b>
Management and administration staff	<u>2</u>	<u>1</u>

No trustees received any remuneration or reimbursement of expenses during the year

During the year no employee received emoluments in excess of £60,000

**5. DEBTORS**

	<b>Total Funds 2010 £</b>	<b>Total Funds 2009 £</b>
Accrued income	1,646	—
Other debtors	349	—
	<u>1,995</u>	<u>—</u>

**6. CREDITORS: amounts falling due within one year**

	<b>Total Funds 2010 £</b>	<b>Total Funds 2009 £</b>
Trade creditors	—	10,324
Other creditors	155	—
Accruals and deferred income	2,063	9,352
	<u>2,218</u>	<u>19,676</u>

**NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**7. RESTRICTED FUNDS**

	<i>Balance as at 1 April 2009 £</i>	<i>Incoming £</i>	<i>Movement in Resources Transfer between funds £</i>	<i>Outgoing £</i>	<i>Balance as at 31 March 2010 £</i>
Big Lottery Fund	—	19,992	—	(19,992)	—
	<u>—</u>	<u>19,992</u>	<u>—</u>	<u>(19,992)</u>	<u>—</u>

**Big Lottery Fund**

Amounts received from the Big Lottery Fund are to be used as a contribution towards the salary costs of the Studio Manager

**8. CONTROL**

The ultimate control of the charity rests with the Board of Trustees