

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

COMPANY LIMITED BY GUARANTEE

**TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

Company number 05028177

Charity number 1116957

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CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Trustees

The trustees serving during the year and since the year end were as follows:

Alisdair Cameron
Douglas Hunter
Nelli Stavropoulou
Gordon Burns (resigned 21 January 2019)
Nikki Heeley
John Banks
Rachael Doyle-Hall (appointed 18 June 2018)
Victoria Armstrong (appointed 11 September 2019)
Toby Brandon (appointed 11 September 2019)

Company secretary

Carole Ann Hall

Key management personnel

Robert Malpiedi – Studio Manager

Company number

05028177

Charity number

1116957

Registered office and principal place of business

The Blackfriars Centre,
New Bridge Street,
Newcastle Upon Tyne,
United Kingdom,
NE1 2TQ

Independent Examiner

Clarke's Chartered Accountants
176 Portland Road
Jesmond
Newcastle Upon Tyne
NE2 1DJ

Bankers

Unity Trust Bank
Nine Brindleyplace
Birmingham
B1 2HB

Santander UK Plc
Business Banking
301 St Vincent Street
Glasgow

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31 March 2019.

INTRODUCTION

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006 and the requirements of Accounting and Reporting by Charities Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK (FRS 102).

The Charity's full name is Chilli Studios (Newcastle and Gateshead Arts Studio) Limited, within this report it will be referred to as just 'Chilli Studios'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Chilli Studios is a company limited by guarantee (number 05028177), incorporated on 28 January 2004, and is governed by its articles. It is also a registered charity (number 1116957).

During this year the Trustees reviewed, with the support of an external governance expert, the charity's Memorandum and Articles of association. Following this review, and in line with the 2006 Companies act, Chilli Studios submitted a Special Resolution on 1st August 2018. This detailed that the original Memorandum and Articles were to be deleted and replaced with a new set of Articles. The amendments within brought the Articles in line with current charity and company law and updated certain governance practices. They did not alter any provisions relating to the company's Charitable objects, the dissolution clause, or the benefits available to trustees.

Our board as of 31st March 2019 consists of 6 trustees with 1 joining and 1 leaving. These trustees have strong representation from professionals working in key areas including Senior Management, Grants Management, Psychiatry, Service User Involvement, Influencing Mental Health Policy and Best Practice, Finance, Safeguarding and Arts Development.

Members of the Board recognise they cannot be experts in all areas of activity and regularly consider what skills may be valuable to add to the existing mix of knowledge and skills. Where a vacancy arises the Board and staff use existing networks to identify potential new trustees. Prospective trustees are invited to visit the studios to understand our vision and values and to establish if they wish to join the Board.

REFERENCE AND ADMINISTRATION DETAILS

Reference and administrative details are set out on page 1 and form part of this report.

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 through the use and promotion of art and artistic and creative activities.

PUBLIC BENEFIT

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

The Charity Commission in its "Charities and Public Benefit" Guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: first there must be an identifiable benefit and, secondly, that the benefit must be to the public or to a section of the public. The trustees are satisfied that the aims and objectives of the charity, and the activities reported on above to achieve those aims, meet these principles.

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TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

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STRATEGIC REPORT

REVIEW OF ACTIVITIES, DEVELOPMENTS AND ACHIEVEMENTS

Our service

Chilli Studios delivers services to those who are, or are at risk of, experiencing diagnosed mental health problems, and those who experience other forms of social exclusion within their communities.

Our Aim is: Improving Mental Health through Creativity.

Our project objectives will be:

- To widely promote our service and engage new members, supporting social inclusion
- To use creative participation as an intervention to prevent deterioration
- To develop members involvement in activities that support recovery
- To signpost and support members to achieve goals within realistic timeframes

Overview

Contemplating on Chilli Studios year, I feel it can broadly be summarised as; investment in governance, developing pioneering partnerships, increased support-based offers, greater peer-based involvement and investment in developing key management skills.

Reviewing the year's delivery and impact the talent, dedication and energy of the staff, volunteers and peers is truly inspiring. Thanks to all their hard work the studio continues to be a safe, happy, vibrant and creative space.

In June 2018, thanks to the P&G fund, we welcomed the arrival of our new Inclusion and Support Coordinator. Chris settled in immediately and provided a valuable addition to our team, supporting the growth and coordination of our growing pool of volunteers and also providing a vital support mechanism for our members in crisis.

Our governance review, achieved with guidance through The Lloyds Foundation, allowed us to update and align our Charity's constitution to support its continued development.

Finally, the year also saw the rejuvenation of the board's membership, with the new accomplished trustee Rachael Doyle-Hall. Unfortunately, we also waved a sad farewell to Trustee David Belk. Chilli Studios would like to extend a huge thank you for his support over the years.

Overview of delivery

Our regular sessions continued to flourish with a noticeable increase in peer volunteer led activity. Some workshops were not advertised within our programme as they became part of the communities shared offer, developed independently by members and supported by staff as required. These sessions have evolved from the more one off skill share sessions that commenced in 2017.

Our core activity offer

Print making with Andrew (Sessional artist)
Digital and web development with Terri (Community Engagement Manager)
Watercolours class with Janie (Sessional artist)
Ceramics on Wednesday with Carole (Charity Officer)
Ceramics on Thursday with Annabel (Sessional artist)
Radio interviews with Andrew (Sessional artist)

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FOR THE YEAR ENDED 31 MARCH 2019

Music Jam sessions with Ziad (Sessional artist)
Individual music sessions with peer volunteers
Animation sessions with Jo (Arts Coordinator)
One to one Photoshop sessions with Jo (Arts Coordinator)
Chilli Choir with Chris (User Involvement Coordinator)
Creative writing with Ziad (Sessional artist)
Music production with Ziad (Sessional artist)
Photography group - peer led group

Activities developed by members with support

Guitar sessions with peer volunteers
Spoken word with volunteers
Pottery throwing club with volunteers
Glass making with peer volunteer
Peer led debating sessions
Felting with peer volunteer
Mosaicing with peer volunteer
Sewing group with peer volunteer
Zentangling with peer volunteer

Additional activities in partnership

Heads and Tales

This major project became a significant output in Chilli studios overall delivery throughout the year. It brought in numerous partnerships. Working together with many participants it explored, collated and reflected on the heritage of mental health in the region. This project was completed in October 2019. Below are a few of its many outputs over the 12 months:

- With Tyne and Wear Archives and Museums (TWAM) gained consent for use of archive items for new online archive with over 500 items uploaded.
- Two sets of artists residencies at TWAM held 46 half day sessions
- Research and cultural engagement trips to Bethlem Museum of the Mind and Wakefield Mental Health Museum.
- Individuals participating were supported in carrying out research online and interviews with experts in different fields.
- 55 Training sessions with a total of 342 participants.
- 3 days of Exploration of Journalism workshops
- 3 'Wikipedia Edit-a-Thon' workshops
- 3 training sessions with TWAM staff in using the 'Wellness Framework' which was created to improve facilitators mental health awareness.
- Numerous interviews were conducted with the local Trauma support teams
- Involved in 12 public events that have engaged an audience of over 7000

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Finding away – The play

The end of the financial year finished with a huge celebration with our first ever in-house play thanks to The Morrisons Foundation's support. This celebratory piece called "Finding away" was created with the help of a star-studded cast of actors, directors and, of course, our amazing members.

Laura Lindow, an award-winning Scottish Writer/Director, used her inspiring energy to enable all our members to shine and develop some outstanding written pieces. She then skilfully interweaved their words into a narrative that magically evolved into "Finding away". With the expert direction of Steve Byron and acting guidance from the wonderfully passionate and experienced actors, Zoe Lambert, Paula Penman and Ziad Jabroo, "Finding away" was performed on March 31st. 23 sessions 190 attendances 1 performance 15 participating 122 audience

Carnival

In Partnership with Newcastle City Council, North Tyneside Big Local and Vamos, Chilli Studios created exciting carnival outfits for the 'Out of this world' themed carnival. Studio members then paraded the streets of Newcastle and Whitley Bay celebrating these fun events. 5 sessions 28 attendances

Forrest School

Forrest school was an opportunity brought to our attention by the passionate North East Wilds. Aware of the benefits such activity would provide Chilli Studios seized this wonderful opportunity. Following a highly successful first 10 week trial a new 20 week programme was started in March 2019. Feedback from those attending has been exceptionally positive. 10 sessions with 87 attendances

Glass making

Kimoci Glass are starting a second set of creative workshops in fused glass within Chilli following a really successful set earlier in the year. Members have been learning a range of skills and techniques, making individual pieces to keep as well as getting pieces together towards a project installation planned to be completed this year. 24 sessions with 288 attendances

Cancer care classes

This partnership has been running for several years and provides a safe and quiet space for individuals who have had, have, or support those with, cancer. The facilitator provides a range of different activities and has increased our reach into new areas of wellbeing. 16 sessions with 48 attendances

Life Drawing

Working with a life drawing artist, Chilli Studios opened up the studio to the public once a month for a fee-based evening of life drawing. Running for 8 months it promoted our work and brought in new volunteers. 8 sessions 84 attendances

Collage workshops

In partnership with North Tyneside Arts Studio and The Hatton Gallery (TWAM), Chilli Studios took part in a series of sessions that culminated in an exhibition in Tynemouth. The project was focused on learning all about the work of Kurt Schwitters and a major retrospective exhibition at the Hatton. 3 sessions 36 attendances

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Data on Activities over 48 weeks/192days

Core artistic sessions	1362
Number attending Core sessions	5969
Guest sessions	99
Number attending Guest sessions	671
Outreach sessions delivered	89
Number attending Outreach sessions	518
Events delivered	30
Number participating in events	413
Audience reach of events	1830
Trips provided to cultural venues/sites	35
Number attending trips	80
Exhibitions (includes monthly in café)	19
Participants in Exhibitions	172

Referrals have continued to come from a wide range of areas including Social Workers, Carers, Community Psychiatric Nurses, Occupational Therapists, Doctors and Support Workers. Each member was required to complete a form, which gives staff the essential information required to facilitate a safe and well informed working space. This information has continued to be stored on a secure database and is updated regularly.

Membership and attendance details

Total membership recorded at end of year	576
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Note - Absentees of over 3 years removed from membership on yearly basis

Overall member attendance within studio for 12 months	6144
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STAFFING

During this period, we have retained the following staff team:

The Studio Manager is the founder of the service. They have 26 years experience of community development, housing support and studio management. Their role is to lead in responding to Members' direction as well as management of staff, sustainability, promotion/networking, recruitment, reporting to board, funders and stakeholders as well as leading in all operational aspects including Chilli Bizarre.

The Arts Coordinator has a BA in multimedia and a Masters in cultural management with 14 years experience within the voluntary sector. They report to the studio manager and lead on the entire creative program among other key areas such as policies, procedures, equality and diversity and support.

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The Charity Officer (Company Secretary) has an MBA in business management and a BA Honours degree in glass and ceramics as well as 20 years of managing a large care and support organisation working primarily with people with mental health issues and learning and physical disabilities. Their role is administration and supporting the Studio Manager in complying with our charity governance requirements.

The Involvement and Support Manager has 30 years of experience of youth and community work, as well as being a glass artist they support the studio in our music delivery. Their primary role is to provide valuable crisis support to our members as well as coordinate our numerous volunteers

The Community Engagement Manager has been employed within the organisation for over 8 years as a sessional artist prior to becoming charged with managing the café, Chilli Bizarre. A key part of their role is to engage the local community in our work and develop our commercial aspect.

We regularly contract 4 freelance professional Artists in Arts Music and Creative Writing

Over the period we had excellent support from 27 volunteers.

FINANCIAL REVIEW

Results

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

Overall, following the previous year increase in reserves, this year we have seen a modest deficit occur. The financial year to 31st March 2019 resulted in the Charitable company carrying forward total funds of £64,074 (2018: £70,312) of which £7,663 (2018: £9,266) was restricted and £56,411 (2018: £61,046) was unrestricted. A deficit of £6,238 (2018: £45,587 surplus) was experienced during the financial year.

Reserves

Reserves are that part of the charity's unrestricted funds that are freely available to spend on any of the charity's purposes. They exclude restricted income funds.

The trustees have considered the need for reserves to be maintained by the charity. The Charity does not have recurring obligations, other than the need to govern itself. The trustees have concluded therefore that an appropriate reserves policy is to hold at all times a minimum amount equivalent to one year's governance costs in the prior accounting year.

Going concern

The trustees are satisfied that the charity is able to operate for the foreseeable future, on the basis of support for the charity. The going concern basis of accounting is therefore appropriate.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of 'Chilli Studios (Newcastle and Gateshead Arts Studio) Limited' for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial

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FOR THE YEAR ENDED 31 MARCH 2019

statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

INDEPENDENT EXAMINER

The members have agreed to have Clarke's Chartered Accountants as the Independent Examiner

By order of the Board



Alisdair Cameron

Trustee

Approved by the Board on 19 December 2019

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

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

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2019 which are set out on pages 10 to 19.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Pamela M Clarke

Relevant Professional body: ICAEW
on behalf of Clarke's Chartered Accountants
176 Portland Road, Jesmond, Newcastle upon Tyne, NE2 1DJ

Date: 19 December 2019

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds	Restricted funds	31 March 2019 Total	31 March 2018 Total
		£	£	£	£
INCOME FROM:					
Donations and legacies	2	15,501	-	15,501	20,783
Charitable activities	3	11,499	166,107	177,606	182,722
Other trading activities	4	<u>15,162</u>	<u>-</u>	<u>15,162</u>	<u>20,173</u>
Total income		<u>42,162</u>	<u>166,107</u>	<u>208,269</u>	<u>223,678</u>
EXPENDITURE ON:					
Charitable activities	5	<u>46,797</u>	<u>167,710</u>	<u>214,507</u>	<u>178,091</u>
Total expenditure		<u>46,797</u>	<u>167,710</u>	<u>214,507</u>	<u>178,091</u>
Net income/(expenditure)	6	(4,635)	(1,603)	(6,238)	45,587
Total funds brought forward		<u>61,046</u>	<u>9,266</u>	<u>70,312</u>	<u>24,725</u>
Total funds carried forward	11	<u>56,411</u>	<u>7,663</u>	<u>64,074</u>	<u>70,312</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure relates to continuing activities.

The notes on pages 12 to 19 form part of these financial statements.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED
Company Registration Number 05028177

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
Current assets			
Debtors	8	15,435	2,642
Cash at bank and in hand		<u>101,806</u>	<u>151,528</u>
		117,241	154,170
Creditors: amounts falling due within one year	9	<u>(53,167)</u>	<u>(83,858)</u>
Net assets	12	<u>64,074</u>	<u>70,312</u>
The funds of the charity			
Restricted funds	11	7,663	9,266
Unrestricted funds	11	<u>56,411</u>	<u>61,046</u>
Total charity funds		<u>64,074</u>	<u>70,312</u>

For the year ended 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the members of the committee and authorised for issue on 19 December 2019 and are signed on their behalf by:



Alisdair Cameron
Trustee

The notes on pages 12 to 19 form part of these financial statements. These unaudited financial statements have been subject to independent examination. See report on page 8.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102), charities SORP (FRS 102) and the Companies Act 2006.

Chilli Studios (Newcastle and Gateshead Arts Studio) Limited is a Charitable Company limited by Guarantee, registered in England. The charity meets the definition of public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost of transaction value unless otherwise stated in the relevant accounting policy note.

In accordance with FRS 102 (as revised by Update Bulletin 1) the charity has not presented a statement of cash flows, as the charity is small.

The financial statements are presented in sterling which is also the functional currency of the Charitable Company. The monetary amounts in these financial statements are rounded to the nearest £, except where otherwise indicated.

Going concern

Financial Reporting Standard 102 requires, if appropriate, the charity's financial statements are prepared on the going concern basis, which means that the charity is able to operate for the foreseeable future on the basis of known and reasonable projected resources. There are no material uncertainties in respect of the charity's ability to continue as a going concern. Although the nature of donations and grants can be difficult to forecast, the trustees believe there is sufficient support to the charity to enable the charity to continue to meet its liabilities as they fall due. As a result the going concern basis of accounting is appropriate.

Income

Income is recognised in the period in which the charitable company has entitlement to the funds, any conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations and grants

Income from donations and grants, including capital grants, is included in income 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 income of restricted funds when receivable.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. **Accounting policies** (*continued*)

Income from charitable activities

Income from charitable activities is recognised in the Statement of Financial Activities as received.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure

Expenditure is all considered as expenditure on charitable activities. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of VAT. They include:

- Charitable expenditure which 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
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of resources.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless these costs are required to be capitalised as an intangible or tangible fixed asset.

Certain employees are entitled to carry forward unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are required.

Retirement benefits

For defined contribution schemes the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Fund accounting

Restricted funds

Restricted funds have been provided to the charity for particular purposes. The trustees carefully monitor the application of these funds in accordance with the restriction placed upon them.

Unrestricted funds

The charity maintains a general unrestricted fund which represents funds which are expended at the discretion of the trustees in furtherance of the objectives of the charity.

Financial instruments

All of the charity's financial assets and financial liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

Cash at bank and in hand

Cash at bank and in hand includes deposits held at call with banks.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of all funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Critical accounting estimates and areas of judgment

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under circumstances.

Critical accounting estimates and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	31 March 2019 £	31 March 2018 £
Donations	<u>15,501</u>	<u>-</u>	<u>15,501</u>	<u>20,783</u>

3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	31 March 2019 £	31 March 2018 £
Grants	-	166,107	166,107	169,585
Members contributions	<u>11,499</u>	<u>-</u>	<u>11,499</u>	<u>13,137</u>
	<u>11,499</u>	<u>166,107</u>	<u>177,606</u>	<u>182,722</u>

4. Income from other trading activities

	Unrestricted funds £	Restricted funds £	31 March 2019 £	31 March 2018 £
Sales of goods	14,398	-	14,398	17,958
Other Income	<u>764</u>	<u>-</u>	<u>764</u>	<u>2,215</u>
	<u>15,162</u>	<u>-</u>	<u>15,162</u>	<u>20,173</u>

The notes on pages 12 to 19 form part of these financial statements.

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5. Expenditure on charitable activities

	Direct costs £	Support costs £	31 March 2019 £	31 March 2018 £
Funding for the promotion of art and artistic and creative activities	120,585	89,421	210,006	176,213
Governance costs	<u>-</u>	<u>4,501</u>	<u>4,501</u>	<u>1,878</u>
	<u>120,585</u>	<u>93,922</u>	<u>214,507</u>	<u>178,091</u>

Expenditure on charitable activities was £214,507 (2018: £178,091) of which £46,797 (2018: £15,329) was unrestricted and £167,710 (2018: £162,762) was restricted.

Support costs are made up of:

	31 March 2019 £	31 March 2018 £
Support staff costs	48,283	54,325
Rent	30,088	27,786
Repairs and maintenance	36	82
Legal and professional fees	6,403	9,359
Promotion and marketing	1,199	3,020
Insurance	665	644
Other support costs	2,747	2,214
Governance costs	<u>4,501</u>	<u>1,878</u>
	<u>93,922</u>	<u>99,308</u>

Governance costs are made up as follows:

	31 March 2019 £	31 March 2018 £
Accountancy services	3,468	910
Independent examination	1,020	960
Companies House filing fees	<u>13</u>	<u>8</u>
	<u>4,501</u>	<u>1,878</u>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

6. Net outgoing resources

	31 March 2019 £	31 March 2018 £
The net outgoing resources for the year is stated after charging:		
Clarke's fees:		
Independent examination	1,020	960
	<u> </u>	<u> </u>

7. Staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs

	31 March 2019 £	31 March 2018 £
Wages and salaries	94,775	68,944
Social security costs	4,460	-
Other pension costs	<u>3,791</u>	<u>569</u>
	<u>103,026</u>	<u>69,513</u>

Particulars of employees

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

	31 March 2019 £	31 March 2018 £
Management and administration staff	<u>5</u>	<u>4</u>

No employees earned in excess of £60,000 during the year (2018: nil).

No expenses were reimbursed to the trustees during the year (2018: £nil).

Key management personnel

The key management personnel of the charity is listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £32,647 (2018: £30,881).

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

8. Debtors

	31 March 2019 £	31 March 2018 £
Prepayments and accrued income	15,435	2,392
Trade Debtors	-	250
Other Debtors	<u>-</u>	<u>-</u>
	<u>15,435</u>	<u>2,642</u>

9. Creditors: amounts falling due within one year

	31 March 2019 £	31 March 2018 £
Trade creditors	3,077	8,217
Accruals and deferred income	<u>50,090</u>	<u>75,641</u>
	<u>53,167</u>	<u>83,858</u>

10. Deferred income

	31 March 2019 £	31 March 2018 £
Deferred income at 1 April 2018	73,361	15,300
Released from previous years	(73,361)	(15,300)
Amounts deferred in the year	<u>47,240</u>	<u>73,361</u>
Deferred income at 31 March 2019	<u>47,240</u>	<u>73,361</u>

The notes on pages 12 to 19 form part of these financial statements.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

11. Analysis of charitable funds

	As at 1 April 2018 £	Income £	Expenditure £	Transfers £	As at 31 March 2019 £
Restricted funds					
Big Lottery Fund	(629)	5,054	(3,574)	-	851
Newcastle Cultural Investment Fund	6	30,000	(32,647)	-	(2,641)
Newcastle Fund	0	14,216	(15,636)	-	(1,420)
Lloyds Bank Foundation	0	20,048	(23,558)	-	(3,510)
Heritage Lottery Fund	7,995	29,340	(19,298)	-	18,037
Tudor Trust	2,387	25,000	(24,915)	-	2,472
Others	<u>(493)</u>	<u>42,449</u>	<u>(48,082)</u>	<u>-</u>	<u>(6,126)</u>
	9,266	166,107	(167,710)	-	7,663
 Unrestricted funds					
General	<u>61,046</u>	<u>42,162</u>	<u>(46,797)</u>	<u>-</u>	<u>56,411</u>
 Total funds	 <u>70,312</u>	 <u>208,269</u>	 <u>(214,507)</u>	 <u>-</u>	 <u>64,074</u>

Our thanks to the Big Lottery Fund, the Newcastle Fund, Lloyds Bank Foundation, the Henry Smith Fund, the Barbour Foundation, the Hospital of God at Greatham, the Newcastle Cultural Investment Fund, the Willan Charitable Trust, the Heritage Lottery Fund, the Tudor Trust, Garfield Weston, Northstar Foundation and the P&G Fund for their kind donations.

Unrestricted funds

General funds – 'free reserves', after allowing for designated funds.

12. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Current assets	22,280	94,961	117,241	154,170
Current liabilities	<u>(3,077)</u>	<u>(50,090)</u>	<u>(53,167)</u>	<u>(83,858)</u>
	<u>19,203</u>	<u>44,871</u>	<u>64,074</u>	<u>70,312</u>

The notes on pages 12 to 19 form part of these financial statements.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

13. Retirement benefits

The charity operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the charity in an independently administered fund. The contributions payable by the charity expensed to income and expenditure amounted to £612 (2018: £612). There were no outstanding amounts payable at the year end.

14. Legal status of charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

15. Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

16. Volunteer Time

The charity places great value on the contributions that volunteers make to the organisation. We benefited greatly, not only from the considerable time, energy and expertise given by the Board of Trustees, but other volunteers as well. Last year the studio benefited from 33 volunteers being engaged in the service. The approximate total time spent by volunteers supporting our work has significantly improved from last year to a total of 1980 hours.

17. Related Party Transactions

During the year amounts totalling £1203.15 were paid to N. Stavropoulou, a trustee for her work as an Artist in Residence on the Heads and Tales project. This appointment was agreed by the Board independently of Ms Stavropoulou.