

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED
(trading as Chilli Studios)

COMPANY LIMITED BY GUARANTEE

**TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2020

Company number 05028177

Charity number 1116957

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CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED
(trading as Chilli Studios)

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2020

Trustees

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

Alisdair Cameron
Douglas Hunter
Nikki Heeley
John Banks
Rachael Doyle-Hall
Nelly Stavropoulou
Dr Victoria Armstrong – Appointed on 11 September 2019
Toby Brandon - Appointed on 11 September 2019

Company secretary

Carole Hall

Key management personnel

Robert Malpiedi – Studio Manager/CEO

Company number

05028177

Charity number

1116957

**Registered office and principal
place of business**

The Blackfriars Centre
Newbridge St
Newcastle upon Tyne
Tyne and Wear
NE1 2TQ

Independent Examiner

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

Bankers

Unity Trust Bank
Nine Brindley place
Birmingham
B1 2HB

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

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

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 2020.

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).

Our board at 31 March 2020 consists of 8 trustees with 2 having joined in September 2019. These trustees have strong representation from professionals working in key areas; within Disability, Education, Senior Management, Grants Management, Psychiatry, Service User Involvement, Influencing Mental Health Policy and Best Practice, 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

FOR THE YEAR ENDED 31 MARCH 2020

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

Since April 2019 Chilli Studios has been extremely vibrant with regular referrals and significant creative activity.

The year saw the rejuvenation of the board's membership, with new accomplished trustee's Dr Victoria Armstrong and Toby Brandon joining Chilli's board.

Over the year, we started investigating how to develop tools for recording and managing organizational relationships, outputs and outcomes. This began with a partnership with Power to Change around a new digital tool called Twine. Though initially helpful, we felt our needs were broader, and we took up an opportunity to move to a more comprehensive CRM system called Lamplight, this system is still in development.

Our general studio activity till March 2020 was very active, and in November 2019 our major Heads & Tales project concluded, creating a people's archive for the North East. It brought together many partners to learn, share and influence how mental health history is recorded and perceived. www.headntales.uk/

In January 2020, the new Inclusion and Support worker (ISW) started in the post, along with our new Therapeutic enabler (TE). This post has been designed to support members, who have already progressed to volunteering, and now have the skills required, to help us in further improving the wellbeing of our membership.

A significant part of our work remains around prevention, with the relationship and trust built through involvement in creative activity, enabling members to open up when a personal crisis hits. This allows us to work together at finding solutions/ additional help when it is most needed, offering immediate practical assistance as well as signposting support.

In February 2020, our trading platform Chilli Bizarre closed following an in-depth examination of long-term viability and possible new opportunities. The Café had suffered from the setting up of a

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donation-based food café, by our landlords in the same building. This unforeseen event made trading unviable.

Recent training opportunities focused around business, leadership and developing entrepreneurial skills had significantly increased the appetite within the team. With this improved business knowledge and the support from our board, staff got together to review the café and consider all possibilities. This included closure, expansion, changing location and a complete change of business. We conducted PESTLE and SWOT analysis of the ideas and began to get a more precise focus of the different directions we all felt were most suitable and profitable. The final decision was yet to be decided by April 2020.

Since the pandemic our service, like so many, had to change drastically in a very short space of time. I contacted all our valued supporters to confirm our plans for day service closure mid-March 2020. Thankfully we received confirmation of acceptance from everyone. We then swiftly created a new online offer of virtual workshops and forums, which has engaged all of our salaried workers and freelance staff. Our 'Invitation to provide' form enabled freelancers to describe their possible offer. This process created a rich diversity of creative sessions, based on what members have shown interest in, as well as matching the freelancers' skills, equipment and personal circumstances. This model has continued with various new offers developing many with the support of our peer volunteers.

Overview of delivery

Our core activity offer

Sewing group with Kath (Sessional artist)
Print making with Andrew (Sessional artist)
Digital and web development with Terri (Community Engagement Manager)
Watercolours class with Janie (Sessional artist)
Silk Painting with Janie (Sessional artist)
Ceramics on Wednesday with Carole (Charity Officer)
Ceramics on Thursday with Annabel (Sessional artist)
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)
One to One with Ziad (Sessional artist)
Daily Advice sessions with Sarah (ISW)
Mindfulness with Sarah (ISW)

Activities developed by members with support

Photography group - peer led group
Guitar sessions with peer volunteers
Spoken word with volunteers
Pottery throwing club with volunteers
Zentangling with peer volunteering

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Heads and Tales

Concluding this year, the project achieved impressive outcomes over its 18 months. In total it ran 405 activity sessions to over 1000 participants with 239 guest speakers. It had support from 308 volunteers and delivered activities that engaged an audience of over 7000.

Forrest School

Following last year's success, Chilli Studio reengaged with partners North East Wilds to deliver a further ten-week programme, with more planned.

Cancer Care Classes

This partnership continued to run, though less frequently as McMillian Cancer Care had various issues with facilitators.

Data on Activities over 48 weeks/192days

Core artistic sessions	958
Number attending Core sessions	6485
Guest sessions	70
Number attending Guest sessions	396
Outreach sessions delivered	33
Number attending Outreach sessions	243
Event delivered	34
Number participating in events	228
Audience reach of events	4287
Trips provided to cultural venues/sites	8
Number attending trips	94
Exhibitions – days open to the public	135
Participants in Exhibitions	303

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Membership and attendance details

Total membership recorded at the end of year 708

Note - Absentees of over three years are removed from membership on yearly basis

Overall member attendance within the studio for 12 months 7296

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 the 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 vital areas maintain such as policies, procedures, equality and diversity and support.

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 is in compliance with our charity governance requirements.

Community Engagement Manager has been employed within the organisation for over eight years as a sessional artist before 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. At the end of the year, their role was reviewed and is due to change.

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

Additional staff brought in:

Inclusion and Support worker and our new **Therapeutic enabler**

Over the period, we had excellent support from 18 volunteers.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW

Results

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

The year has seen an improvement in the financial health of the charity with vital non restricted income begin protected by an increase in charitable grant aid available for both core and project related costs. This has therefore meant that our unrestricted funds have increased from £56,411 at April 2019 to £65,282 at March 2020.

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 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.

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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 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 3 December 2020

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

**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 2020 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: 3 December 2020

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds £	Restricted funds £	31 March 2020 Total £	31 March 2019 Total £
INCOME FROM:					
Donations and legacies	2	15,606	-	15,606	15,501
Charitable activities	3	13,816	181,873	195,689	177,606
Other trading activities	4	<u>11,899</u>	<u>-</u>	<u>11,899</u>	<u>15,162</u>
Total income		<u>41,321</u>	<u>181,873</u>	<u>223,194</u>	<u>208,269</u>
EXPENDITURE ON:					
Charitable activities	5	<u>32,450</u>	<u>169,464</u>	<u>201,914</u>	<u>214,507</u>
Total expenditure		<u>32,450</u>	<u>169,464</u>	<u>201,914</u>	<u>214,507</u>
Net income/(expenditure)	6	8,871	12,409	21,280	(6,238)
Total funds brought forward		<u>56,411</u>	<u>7,663</u>	<u>64,074</u>	<u>70,312</u>
Total funds carried forward	11	<u>65,282</u>	<u>20,072</u>	<u>85,354</u>	<u>64,074</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 2020

	Notes	2020 £	2019 £
Current assets			
Debtors	8	2,416	15,435
Cash at bank and in hand		<u>158,093</u>	<u>101,806</u>
		160,509	117,241
 Creditors: amounts falling due within one year	 9	 <u>(75,155)</u>	 <u>(53,167)</u>
 Net assets	 12	 <u>85,354</u>	 <u>64,074</u>
 The funds of the charity			
Restricted funds	11	20,072	7,663
Unrestricted funds	11	<u>65,282</u>	<u>56,411</u>
 Total charity funds		 <u>85,354</u>	 <u>64,074</u>

For the year ended 31 March 2020 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 3 December 2020 and are signed on their behalf by:

A. S. Cameron

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 2020

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 2020

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 2020

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 2020 £	31 March 2019 £
Donations	<u>15,606</u>	<u>-</u>	<u>15,606</u>	<u>15,501</u>

3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	31 March 2020 £	31 March 2019 £
Grants	-	181,873	181,873	166,107
Members contributions	<u>13,816</u>	<u>-</u>	<u>13,816</u>	<u>11,499</u>
	<u>13,816</u>	<u>181,873</u>	<u>195,689</u>	<u>177,606</u>

4. Income from other trading activities

	Unrestricted funds £	Restricted funds £	31 March 2020 £	31 March 2019 £
Sales of goods	11,453	-	11,453	14,398
Other Income	<u>446</u>	<u>-</u>	<u>446</u>	<u>764</u>
	<u>11,899</u>	<u>-</u>	<u>11,899</u>	<u>15,162</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

5. Expenditure on charitable activities

	Direct costs £	Support costs £	31 March 2020 £	31 March 2019 £
Funding for the promotion of art and artistic and creative activities	107,831	90,289	198,120	210,006
Governance costs	<u>-</u>	<u>3,794</u>	<u>3,794</u>	<u>4,501</u>
	<u>107,831</u>	<u>94,083</u>	<u>201,914</u>	<u>214,507</u>

Expenditure on charitable activities was £201,914 (2019: £214,507) of which £32,450 (2019: £46,797) was unrestricted and £169,464 (2019: £167,710) was restricted.

Support costs are made up of:

	31 March 2020 £	31 March 2019 £
Support staff costs	48,803	48,283
Rent	29,557	30,088
Repairs and maintenance	140	36
Legal and professional fees	7,126	6,403
Promotion and marketing	1,377	1,199
Insurance	772	665
Other support costs	2,514	2,747
Governance costs	<u>3,794</u>	<u>4,501</u>
	<u>94,083</u>	<u>93,922</u>

Governance costs are made up as follows:

	31 March 2020 £	31 March 2019 £
Accountancy services	2,700	3,468
Independent examination	1,080	1,020
Companies House filing fees	<u>14</u>	<u>13</u>
	<u>3,794</u>	<u>4,501</u>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

6. Net outgoing resources

	31 March 2020 £	31 March 2019 £
The net outgoing resources for the year is stated after charging:		
Clarke's fees:		
Independent examination	1,080	1,020
	<u> </u>	<u> </u>

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

Staff costs	31 March 2020 £	31 March 2019 £
Wages and salaries	94,214	94,775
Social security costs	4,242	4,460
Other pension costs	<u>3,681</u>	<u>3,791</u>
	102,137	103,026
	<u> </u>	<u> </u>

Particulars of employees

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

	31 March 2020 £	31 March 2019 £
Management and administration staff	<u>5</u>	<u>5</u>

No employees earned in excess of £60,000 during the year (2019: nil).

No expenses were reimbursed to the trustees during the year (2019: £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 £33,020 (2019: £32,647).

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FOR THE YEAR ENDED 31 MARCH 2020

8. Debtors	31 March 2020 £	31 March 2019 £
Prepayments and accrued income	<u>2,416</u>	<u>15,435</u>
	<u>2,416</u>	<u>15,435</u>
9. Creditors: amounts falling due within one year	31 March 2020 £	31 March 2019 £
Trade creditors	3,665	3,077
Accruals and deferred income	<u>71,490</u>	<u>50,090</u>
	<u>75,155</u>	<u>53,167</u>
10. Deferred income	31 March 2020 £	31 March 2019 £
Deferred income at 1 April 2019	47,240	73,361
Released from previous years	(47,240)	(73,361)
Amounts deferred in the year	<u>68,640</u>	<u>47,240</u>
Deferred income at 31 March 2020	<u>68,640</u>	<u>47,240</u>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

11. Analysis of charitable funds

	As at 1 April 2019 £	Income £	Expenditure £	Transfers £	As at 31 March 2020 £
Restricted funds					
Big Lottery Fund	851	26,058	(27,424)	-	(515)
Newcastle Cultural Investment Fund	(2,641)	25,000	(22,446)	-	(87)
Newcastle Fund	(1,420)	11,250	(11,228)	-	(1,398)
Lloyds Bank Foundation	(3,510)	20,649	(21,003)	-	(3,864)
Heritage Lottery Fund	18,037	19,560	(20,657)	-	16,940
Tudor Trust	2,472	25,000	(24,154)	-	3,318
Others	<u>(6,126)</u>	<u>54,356</u>	<u>(42,552)</u>	<u>-</u>	<u>5,678</u>
	7,663	181,873	(169,464)	-	20,072
Unrestricted funds					
General	<u>56,411</u>	<u>41,321</u>	<u>(32,450)</u>	<u>-</u>	<u>65,282</u>
Total funds	<u>64,074</u>	<u>223,194</u>	<u>(201,914)</u>	<u>-</u>	<u>85,354</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, Building Communities, Awards 4 All, BUPA, Greggs Foundation, the Linden Family Fund 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 2020 £	Total 2019 £
Current assets	4,494	156,015	160,509	117,241
Current liabilities	<u>(3,665)</u>	<u>(71,490)</u>	<u>(75,155)</u>	<u>(53,167)</u>
	829	84,525	85,354	64,074

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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 £3681 (2019: £3791). 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 27 volunteers being engaged in the service.

17. Related Party Transactions

During the year amounts totalling £400.00 (2019: £1204) 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.