

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 2021

Company number 05028177

Charity number 1116957



CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2021

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
Nelli Stavropoulou
Dr Victoria Armstrong
Toby Brandon

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

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TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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 2021.

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 as of 31st March 2021 consists of 8 trustees. 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 forms 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

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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.

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 Mission is:

To provide a sustainable service that engages people in creative activity, which promotes social inclusion and interaction, develops skills and ability which builds resilience, enables potential and improves wellbeing.

Our Values are:

- **To promote creative freedom.**

Promote the power of creativity to empower individuals to challenge internal and external perceptions of mental health. Valuing everyone's unique personal expression, inspiring people to take creative chances, build skills and celebrate achievements.

- **To be a compassionate and safe service.**

Create a safe, inclusive place where everyone feels welcome, encouraged to participate and supported throughout involvement—developing a caring community through encouragement and support. Taking time to listen, learn and respect others and their privacy; when a difference exists, value it and find shared understanding within the community of interest.

Overview

The pandemic has dominated the year; our service had to change drastically in a short time. Early April 2020, we swiftly created a new online offer of virtual workshops and forums, which has engaged all of our salaried workers and freelance staff

Thankfully we have managed to maintain an entire staff team throughout the pandemic, all providing superb work. The charity is fortunate to have a talented, professional, and passionate team providing the best possible support under stressful circumstances for all.

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As the year developed and the understanding of the needs and the new situation became more familiar, our offer evolved with our members adding additional value with various peer-led sessions.

Gathering feedback about what we are doing and how we can improve has been crucial. Through online questionnaires and discussions, evaluation has been done and often highlighted the polarised views regarding the social restrictions. Overall feedback has been positive, with around 85% replying positively to our offer.

"Thank you for moving online – it's a huge support for our service users and a relief the studio is still available as you're such a valuable resource in maintaining people's mental health." Occupational Therapist, Gateshead

To improve our team's awareness, we now discuss all members (engaging or not) concerns in weekly staff meetings. We noticed an increase in general anxiety once welfare agencies restarted the benefits assessment process and sent out reassessment dates. Thankfully, our Inclusion and Support Worker has facilitated safe meetings to support the form filling process, which often leads to deterioration of conditions.

Digital developments

A large part of the year has involved the design of our new CRM system, based on The Lamplight software system. The Lloyds Bank Foundation has generously covered the cost of this design and the first year of use.

Lamplight is an online database system that is flexible and allows an organisation to set the required fields. For this reason, the design was critical for the software to be a success. We created an additional element specifically for Chilli Studios around recording attendance via QR codes directly linked to a user ID through close work with our designer at Lamplight. The system was finally finished around March 2021 and is now in use.

Following the successes with online delivery and real potential improvements, we decided to investigate the possibilities of developing a new digital platform that could be shared with the broader sector increasing efficiency and inclusion by reducing duplication and inequality. Then, through communication with Land Digital, a North East based agency providing digital strategy and software development, we identified a significant opportunity linked to an existing bit of coding. The original developer of this coding, who himself had mental health issues and sadly passed away, created this as a not-for-profit venture. Land Digital is now supporting us, Changing Lives, and Adfam, in developing platforms for each other's sectors.

The Chilli Studios' version as of March 2020 was in the branding process, and it has been called Canny Social. Though each iteration with Land Digital will be unique, critically, as each organisation develops new coding, it will be shared amongst the cohort. To manage this arrangement, we're in early discussions around creating a new CIC, with each organisation having an equal vote as a member.

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Early concepts around Canny Social's structure is based around every joining organisation managing their own spaces, called tribes. With this model, identity and data remain the organisation's property, and they oversee communication between their beneficiaries. All tribes will have their tribe leaders (organisational leads) who share information, such as opportunities and events, within agreed guidelines into a shared space visible to all tribes and managed by Canny Social/Chilli Studios.

Naturally, there are many complex factors involved, and we are discussing and navigating these with our member-based steering group.

Staffing

Our core staff team have excelled during this extremely challenging year; their dedication to providing a service that meets our aim and aligns with the mission and values has been outstanding.

The Arts Coordinator has provided both an exciting and highly professional offer whilst coordinating the many aspects of becoming a remote service and then a physical service with all the many considerations involved in safe and inclusive working practices.

The Charity Officer has provided the reassurance of a well organised administrative system and become very involved in the whole delivery of activities and support.

Finally, the relatively new Inclusion and Support worker and Therapeutic enabler post holders have been fundamental at providing that social, practical and emotional support system our service provides so well.

Commercial activities

Our previous trading platform, Chilli Bizarre, closed following an examination of long-term viability and possible new opportunities. The Café couldn't compete with a donation-based food café, run by our landlords, in the same building. Following this, we did PESTLE and SWOT analysis of the new possible ventures and began to get a clear focus of the direction we felt most suitable and profitable. With this information, we successfully secured support from The Enterprise Development Programme to develop a pilot venture. This award is a complex mix of funds and consultancy support.

We commenced a wellbeing subscription box business called Chill Out Box in September 2020. The venture began well, but following a personal crisis in December for the staff member leading, we are now preparing to recruit for a Start-Up Manager position to take it to the next level, hopefully by late summer 2021.

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Overview of delivery data

Despite the difficulties in delivering activities related to measures caused by the pandemic, over our last financial year, from April 2020 till March 2021 we have provided:

Online activities

- 398 workshops in 11 types of activities, delivered by freelance artists and supported by staff to 3488 attendees
- 132 workshops in 7 kinds of activities, offered by peers and supported by staff to 1063 attendees
- 43 online events in 13 types of activity (for example, live music, guest artist speaker sessions) with staff support to 304 attendees

During periods of lower COVID risk, the following structured and risk assessed activities took place:

- Four outdoor events to 55 attendees
- 25 indoor studio sessions to 85 attendees
- 19 training sessions in 13 areas to 85 members which included: Covid safety training, emergency first aid, Wellbeing level 1 and depression and anxiety level 2

Wellbeing support

- 437 creative wellbeing boxes in 15 themes delivered to over 150 members
- 898 one to one support sessions in various areas, including wellbeing checks, music recording and tech support

Data from online analytics

- YouTube video plays 1545 with reach impressions 7000
- Facebook video plays 3475
- Podcast on SoundCloud 1008 listens
- The website and forum had 5571 users and 46,151 page views.

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FINANCIAL REVIEW

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

Secured funds towards core and project-based work, alongside Covid based grant aid, has meant that this year is showing a higher income than in the previous year.

Despite the numerous issues caused by the pandemic, the year has seen further improvement in financial health, with non-restricted income protected again. As the accounts detail, our unrestricted funds have increased from £65,282 at March 2020 to £89,675 at March 2021.

The manager notes that due to the pandemic demand and sustainability will most likely become a significant challenge within the next two to three years, expressing the need to safeguard reserves now to ensure service delivery continues through future years.

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;

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- 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 20/12/21

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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 2021 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: 21 December 2021

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STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds	Restricted funds	31 March 2021 Total £	31 March 2020 Total £
		£	£		
INCOME FROM:					
Donations and legacies	2	1,105	-	1,105	15,606
Charitable activities	3	4,087	241,379	245,466	195,689
Other income		4,464	-	4,464	-
Other trading activities	4	<u>6,455</u>	<u>-</u>	<u>6,455</u>	<u>11,899</u>
Total income		<u>16,111</u>	<u>241,379</u>	<u>257,490</u>	<u>223,194</u>
EXPENDITURE ON:					
Charitable activities	5	<u>13,844</u>	<u>227,551</u>	<u>241,395</u>	<u>201,914</u>
Total expenditure		<u>13,844</u>	<u>227,551</u>	<u>241,395</u>	<u>201,914</u>
Net income/(expenditure)	6	2,267	13,828	16,095	21,280
Total funds brought forward		<u>65,282</u>	<u>20,072</u>	<u>85,354</u>	<u>64,074</u>
Total funds carried forward	11	<u>67,549</u>	<u>33,900</u>	<u>101,449</u>	<u>85,354</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.

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Company Registration Number 05028177

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BALANCE SHEET**AS AT 31 MARCH 2021**

	Notes	2021 £	2020 £
Current assets			
Debtors	8	2,489	2,416
Cash at bank and in hand		<u>169,273</u>	<u>158,093</u>
		171,762	160,509
Creditors: amounts falling due within one year	9	<u>(70,313)</u>	<u>(75,155)</u>
Net assets	12	<u>101,449</u>	<u>85,354</u>
The funds of the charity			
Restricted funds	11	11,774	20,072
Unrestricted funds	11	<u>89,675</u>	<u>65,282</u>
Total charity funds		<u>101,449</u>	<u>85,354</u>

For the year ended 31 March 2021 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 and are signed on their behalf by:

20/12/21
Alisdair Cameron
Trustee

A. S. Cameron

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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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.

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NOTES TO THE FINANCIAL STATEMENTS

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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.
- 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.

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

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FOR THE YEAR ENDED 31 MARCH 2021

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 2021	31 March 2020
	£	£	£	£
Donations	<u>1,105</u>	<u>-</u>	<u>1,105</u>	<u>15,606</u>

3. Income from charitable activities

	Unrestricted funds	Restricted funds	31 March 2021	31 March 2020
	£	£	£	£
Grants	-	241,379	241,379	181,873
Members contributions	<u>4,087</u>	<u>-</u>	<u>4,087</u>	<u>13,816</u>
	<u>4,087</u>	<u>241,379</u>	<u>245,466</u>	<u>195,689</u>

4. Income from other trading activities

	Unrestricted funds	Restricted funds	31 March 2021	31 March 2020
	£	£	£	£
Sales of goods	6,455	-	6,455	11,453
Other Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>446</u>
	<u>6,455</u>	<u>-</u>	<u>6,455</u>	<u>11,899</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 2021 £	31 March 2020 £
Funding for the promotion of art and artistic and creative activities	135,101	103,221	238,322	198,120
Governance costs	<u>-</u>	<u>3,073</u>	<u>3,073</u>	<u>3,794</u>
	<u>135,101</u>	<u>106,294</u>	<u>241,395</u>	<u>201,914</u>

Expenditure on charitable activities was £241,395 (2020: £201,914) of which £13,844 (2020: £32,450) was unrestricted and £227,551 (2020: £169,464) was restricted.

Support costs are made up of:

	31 March 2021 £	31 March 2020 £
Support staff costs	48,915	48,803
Rent	17,714	29,557
Repairs and maintenance	1,109	140
Legal and professional fees	33,049	7,126
Promotion and marketing	327	1,377
Insurance	748	772
Other support costs	1,359	2,514
Governance costs	<u>3,073</u>	<u>3,794</u>
	<u>106,294</u>	<u>94,083</u>

Governance costs are made up as follows:

	31 March 2021 £	31 March 2020 £
Accountancy services	1,920	2,700
Independent examination	1,140	1,080
Companies House filing fees	<u>13</u>	<u>14</u>
	<u>3,073</u>	<u>3,794</u>

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6. Net outgoing resources

	31 March 2021 £	31 March 2020 £
The net outgoing resources for the year is stated after charging:		
Clarke's fees:		
Independent examination	<u>1,140</u>	<u>1,080</u>

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

Staff costs

	31 March 2021 £	31 March 2020 £
Wages and salaries	108,431	94,214
Social security costs	4,559	4,242
Other pension costs	<u>4,235</u>	<u>3,681</u>
	<u>117,225</u>	<u>102,137</u>

Particulars of employees

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

	31 March 2021 £	31 March 2020 £
Management and administration staff	<u>6</u>	<u>5</u>

No employees earned in excess of £60,000 during the year (2020: nil).

No expenses were reimbursed to the trustees during the year (2020: £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 £31,202 (2020: £33,020).

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FOR THE YEAR ENDED 31 MARCH 2021

8. Debtors	31 March 2021 £	31 March 2020 £
Prepayments and accrued income	<u>2,489</u>	<u>2,416</u>
	<u>2,489</u>	<u>2,416</u>
9. Creditors: amounts falling due within one year	31 March 2021 £	31 March 2020 £
Trade creditors	2,142	3,665
Accruals and deferred income	<u>68,171</u>	<u>71,490</u>
	<u>70,313</u>	<u>75,155</u>
10. Deferred income	31 March 2021 £	31 March 2020 £
Deferred income at 1 April 2020	68,640	47,240
Released from previous years	(68,640)	(47,240)
Amounts deferred in the year	<u>65,321</u>	<u>68,640</u>
Deferred income at 31 March 2021	<u>65,321</u>	<u>68,640</u>

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

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11. Analysis of charitable funds

	As at 1 April 2020 £	Income £	Expenditure £	Transfers £	As at 31 March 2021 £
Restricted funds					
Big Lottery Fund	(515)	56,894	(50,246)	-	6,133
Newcastle Cultural Investment Fund	(87)	20,000	(19,543)	-	370
Newcastle Fund	(1,398)	7,500	(6,362)	-	(260)
Lloyds Bank Foundation	(3,864)	17,724	(15,440)	-	(1,580)
Heritage Lottery Fund	16,940	-	(-)	(16,940)	-
Heritage Lottery Fund COVID	-	5,833	(5,849)	-	(16)
Henry Smith Match Challenge	-	28,600	(29,859)	-	(1,259)
Tudor Trust	3,318	22,833	(24,521)	-	1630
Others	<u>5,678</u>	<u>81,995</u>	<u>(80,700)</u>	<u>(217)</u>	<u>6,756</u>
	20,072	241,379	(232,520)	(17,157)	11,774
Unrestricted funds					
General	<u>65,282</u>	<u>16,111</u>	<u>(8,875)</u>	<u>17,157</u>	<u>89,675</u>
Total funds	<u>85,354</u>	<u>257,490</u>	<u>(241,395)</u>	<u>-</u>	<u>101,449</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 2021 £	Total 2020 £
Current assets	6,260	165,502	171,762	160,509
Current liabilities	<u>(2,142)</u>	<u>(68,171)</u>	<u>(70,313)</u>	<u>(75,155)</u>
	<u>4,118</u>	<u>97,331</u>	<u>101,449</u>	<u>85,354</u>

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

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 £4,235 (2020: £3,681). 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 £- (2020: £400) 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.