

Hartlepool Arts Studio Limited
Company Limited by Guarantee
Unaudited Financial Statements
31 March 2022

TREMAINE

Chartered accountants
19 Tremaine Close
Hartlepool
TS27 3LE

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2022

	Page
Trustees' annual report (incorporating the director's report)	1
Independent examiner's report to the trustees	5
Statement of financial activities (including income and expenditure account)	6
Statement of financial position	7
Statement of cash flows	8
Notes to the financial statements	9

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Registered charity name Hartlepool Arts Studio Limited

Charity registration number 1101146

Company registration number 4830735

Principal office and registered office The Artrium
120a Park Road
Hartlepool
TS26 9HU

The trustees

C Wakeling
A Guffick
W Green
V Chaytor
I Caldwell

(Resigned 11 May 2022)
(Resigned 11 May 2022)
(Appointed 21 December 2021)

Company secretary Lewis Dougherty

Independent examiner Censis
19 Tremaine Close
Hartlepool
TS27 3LE

Structure, governance and management

Governing document

Hartlepool Arts Studio Limited is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

The policy and general management of the affairs of the charity are directed by the officers and trustees. Trustees are appointed at a general meeting or by the other trustees.

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Objectives and activities

To advance the education of the public in particular persons living with a mental health problem or, people experiencing learning difficulties, those with physical impairments living in Hartlepool and the surrounding area through use and promotion of art and artistic and creative activities.

To provide studio accommodation for the artists to offer support for the persons living with a mental health problem through the use of art and artistic and creative activities.

To foster creativity and creative activity including drawing, painting, sculpture, print and other art forms and to enrich and belong to the artistic life of Hartlepool.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Achievements and performance

Hartlepool Art Studio Limited is a registered mental health charity based on Park Road, Hartlepool, established in 2005. The ethos of the charity is to use art as a medium to improve mental wellbeing, reduce the stigma associated with mental health through public awareness and encouraging social cohesion and transition back into the community.

We currently employ one member of staff and have a team of 25 volunteers all with artistic backgrounds, fully DBS checked and holding accredited certification in Mental Health Awareness and Safeguarding Adults, as well as more specialised training such as Autism Awareness.

Over the past 13 years, Hartlepool Art Studio Ltd has been mainly funded by membership to the service and grants from governing bodies such as Arts Council and Paul Hamlyn Foundation, gaining commendations and awards for its service to the community from governing bodies, local services and Hartlepool Business Awards along the way.

Hartlepool Art Studio Ltd has 4 projects:

Artrium being the leading project, has been developed mainly by our members to practice art and craft in a safe and exclusive environment with like-minded individuals. We cater for everyone that has an interest in art, looking to get out of the house or wanting to learn something new, with our main focus on providing support to improve mental wellbeing.

Artrium holds key partnerships with local mental health charities and organisations, Hartlepool, Stockton and Middlesbrough Adult Social Care Service teams and Health Departments as well as NHS integrated mental health services.

To ensure our members receive a quality service which visibly improves their livelihood, we review progress every year with our members, volunteers, staff and relevant Social Workers or providers. Over 50% of our members receive direct payments to attend Artrium services, some of which receive dedicated one to one support.

Artrium Gallery is a side project of Artrium, running since 2009, providing opportunities for our members, volunteers and local artists to exhibit, sell and demonstrate artwork to the wider public as well as offering opportunities to become self employed and raising awareness for the importance of mental wellbeing in the current social climate.

Artrium Outreach, offers a teaching/learning service to the community through schools, support and community groups and the local government teaching, supporting and increasing social cohesion and awareness of mental wellbeing through the use of arts and crafts from a young age.

Artrium Training offers the option to further education, supporting individuals back into education and employment by receiving accredited qualifications in a whole range of different areas.

Many of our members have slipped through the net of mainstream education previously in their life or have found it hard to complete qualifications on their own so offering these opportunities helps greatly with mental wellbeing and progression. Through this we have successfully helped over 50 volunteers and members back into work, over the years, and strive to support individuals with their development during their time with us.

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Financial review

The trustees consider that the performance of the charity this year has not been the most satisfactory. Our projects are working well and are adequately funded.

The Statement of Financial Activities show a deficit for the year of £25,862 and reserves stand at £96,694.

The unrestricted funds of the charity at 31 March 2022 amounted to £66,566 of which free reserves (that is those not tied up in fixed assets) amount to £63,986.

Reserves Policy and Risk Management

Hartlepool Arts Studio Limited Management Committee (Trustees) has determined that it should seek to acquire and maintain an appropriate level of financial resources above its current running and project cost in order to ensure the long term viability of the organisation and to comply with the Charities Commission Statement of Recommended Practice.

The reserves policy of Hartlepool Arts Studio Limited is intended to:

- State whether or not Hartlepool Arts Studio Ltd holds reserves;
- explain why Hartlepool Arts Studio Ltd holds reserves
- In respect of future needs, opportunities, contingencies or risks there may be;
- give the level of reserves at the last day of each financial year to which each annual accounts relate;
- explain what steps Hartlepool Arts Studio Ltd is going to take to maintain reserves at the appropriate level;
- Hartlepool Arts Studio Ltd will monitor its reserve policy.

The target for reserves shall be based on the following:

- Four months running costs (salaries, utilities, rent, administration, etc.);
- redundancy payments to staff;
- where necessary, cover for retrospective funding - to cover the gap between incurring costs of doing and receiving the grant/funding.

The trustees' annual report and the strategic report were approved on 15 December 2022 and signed on behalf of the board of trustees by:

I Caldwell
Trustee

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Hartlepool Arts Studio Limited

Year ended 31 March 2022

I report to the trustees on my examination of the financial statements of Hartlepool Arts Studio Limited ('the charity') for the year ended 31 March 2022.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 the charity'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:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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.

Tremaine
Independent Examiner

19 Tremaine Close
Hartlepool
TS27 3LE

16 December 2022

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2022

		Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	11,444	—	11,444	81,745
Charitable activities	6	27,064	—	27,064	12,281
Other trading activities	7	214	—	214	50
Total income		<u>38,722</u>	<u>—</u>	<u>38,722</u>	<u>94,076</u>
Expenditure					
Expenditure on charitable activities	8	<u>57,145</u>	<u>7,439</u>	<u>64,584</u>	<u>60,006</u>
Total expenditure		<u>57,145</u>	<u>7,439</u>	<u>64,584</u>	<u>60,006</u>
Net (expenditure)/income and net movement in funds		<u>(18,423)</u>	<u>(7,439)</u>	<u>(25,862)</u>	<u>34,070</u>
Reconciliation of funds					
Total funds brought forward		84,989	37,567	122,556	88,486
Total funds carried forward		<u>66,566</u>	<u>30,128</u>	<u>96,694</u>	<u>122,556</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 9 to 16 form part of these financial statements.

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	13	32,708	40,696
Current assets			
Cash at bank and in hand		64,933	83,183
Creditors: amounts falling due within one year	14	947	1,323
Net current assets		63,986	81,860
Total assets less current liabilities		96,694	122,556
Net assets		96,694	122,556
Funds of the charity			
Restricted funds		30,128	37,567
Unrestricted funds		66,566	84,989
Total charity funds	17	96,694	122,556

For the year ending 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The 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 directors 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 have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 15 December 2022, and are signed on behalf of the board by:

I Caldwell
Trustee

The notes on pages 9 to 16 form part of these financial statements.

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net (expenditure)/income	(25,862)	34,070
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	7,988	7,989
Government grant income	(1,909)	(40,267)
Accrued income	(364)	—
<i>Changes in:</i>		
Trade and other creditors	(12)	(237)
Cash generated from operations	(20,159)	1,555
Net cash (used in)/from operating activities	(20,159)	1,555
Cash flows from investing activities		
Purchase of tangible assets	—	(2,002)
Net cash used in investing activities	—	(2,002)
Cash flows from financing activities		
Government grant income	1,909	40,267
Net cash from financing activities	1,909	40,267
Net (decrease)/increase in cash and cash equivalents	(18,250)	39,820
Cash and cash equivalents at beginning of year	83,183	43,363
Cash and cash equivalents at end of year	64,933	83,183

The notes on pages 9 to 16 form part of these financial statements.

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Artrium, 120a Park Road, Hartlepool, TS26 9HU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

Hartlepool Arts Studio meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy note(s).

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	5% straight line
Fixtures and fittings	-	15% straight line
Equipment	-	15% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Limited by guarantee

Hartlepool Arts Studio is a company limited by guarantee and accordingly does not have a share capital. Every member of the charity undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charity in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Donations	1,078	1,078	3,417	3,417
Council Ward Budget	–	–	450	450
Grants				
Arts Council	2,957	2,957	26,611	26,611
Hartlepool Borough Council	5,500	5,500	11,000	11,000
Government grant income	1,909	1,909	40,267	40,267
	<u>11,444</u>	<u>11,444</u>	<u>81,745</u>	<u>81,745</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Art sessions & members fees	5,295	5,295	607	607
One to One support/Personisations	18,296	18,296	10,771	10,771
Sale of Art	2,544	2,544	672	672
Sale of stock	266	266	146	146
Refreshments & tuck shop	663	663	85	85
	<u>27,064</u>	<u>27,064</u>	<u>12,281</u>	<u>12,281</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Other	<u>214</u>	<u>214</u>	<u>50</u>	<u>50</u>

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
General Fund	57,145	–	57,145
Artrium Property Project	–	7,439	7,439
	<u>57,145</u>	<u>7,439</u>	<u>64,584</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
General Fund	52,470	–	52,470
Artrium Property Project	–	7,536	7,536
	<u>52,470</u>	<u>7,536</u>	<u>60,006</u>

9. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>7,988</u>	<u>7,989</u>

10. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>960</u>	<u>960</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	28,336	34,015
Employer contributions to pension plans	592	591
	<u>28,928</u>	<u>34,606</u>

The average head count of employees during the year was 3 (2021: 3). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 No.
Charitable activities	1	1
One to One support	2	2
	<u>3</u>	<u>3</u>

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

11. Staff costs *(continued)*

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 April 2021 and 31 March 2022	<u>150,727</u>	<u>17,305</u>	<u>16,528</u>	<u>184,560</u>
Depreciation				
At 1 April 2021	111,914	17,305	14,645	143,864
Charge for the year	<u>7,536</u>	<u>–</u>	<u>452</u>	<u>7,988</u>
At 31 March 2022	<u>119,450</u>	<u>17,305</u>	<u>15,097</u>	<u>151,852</u>
Carrying amount				
At 31 March 2022	<u>31,277</u>	<u>–</u>	<u>1,431</u>	<u>32,708</u>
At 31 March 2021	<u>38,813</u>	<u>–</u>	<u>1,883</u>	<u>40,696</u>

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	400	764
Social security and other taxes	432	444
Other creditors	<u>115</u>	<u>115</u>
	<u>947</u>	<u>1,323</u>

15. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £592 (2021: £591).

16. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022 £	2021 £
Recognised in income from donations and legacies:		
Government grants income	<u>1,909</u>	<u>40,267</u>

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

17. Analysis of charitable funds

Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
General Fund	<u>84,989</u>	<u>38,722</u>	<u>(57,145)</u>	<u>66,566</u>

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
General Fund	<u>43,383</u>	<u>94,076</u>	<u>(52,470)</u>	<u>84,989</u>

The general reserve represents the free funds of the charity which are not designated for particular purposes.

Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Artrium Property Project	<u>37,567</u>	<u>—</u>	<u>(7,439)</u>	<u>30,128</u>

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Artrium Property Project	<u>45,103</u>	<u>—</u>	<u>(7,536)</u>	<u>37,567</u>

ARTRIUM PROPERTY PROJECT

Grants totalling £148,779 contributed to the purchase and refurbishment of an Art Studio, known as The Artrium. Funds include the following:

Hartlepool Borough Council	77,400
ERDF	71,379
	<u>148,779</u>

Costs incurred to date amount to £148,779. This amount has been capitalised and is shown in fixed asset note 14 to the accounts. Depreciation to date on the project amounts to £118,651. The amount shown as restricted represents the net book value of the property.

Hartlepool Arts Studio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

18. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	2,580	30,128	32,708
Current assets	64,933	—	64,933
Creditors less than 1 year	(947)	—	(947)
Net assets	<u>66,566</u>	<u>30,128</u>	<u>96,694</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	3,129	37,567	40,696
Current assets	83,183	—	83,183
Creditors less than 1 year	(1,323)	—	(1,323)
Net assets	<u>84,989</u>	<u>37,567</u>	<u>122,556</u>

19. Analysis of changes in net debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	<u>83,183</u>	<u>(18,250)</u>	<u>64,933</u>