

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

England & Wales · Charity number 1116957

Details

Other names	NEWCASTLE AND GATESHEAD ARTS STUDIO LIMITED, NAGAS
Status	Registered
Legal form	Charitable company
Company number	05028177
Registered	2006-11-23
Register	View on the Charity Commission register

Contact

Address Blackfriars Centre
Newbridge Street
Newcastle Upon Tyne
Tyne and Wear
NE1 2TQ

Phone 01912094058

Email carole@chillistudios.co.uk

Website www.chillistudios.co.uk

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC IN PARTICULAR PERSONS SUFFERING FROM THE EFFECTS OF MENTAL ILLNESS AND MENTAL HEALTH PROBLEMS LIVING IN NEWCASTLE AND GATESHEAD (HERE-IN AFTER CALLED THE "AREA OF BENEFIT") THROUGH THE USE AND PROMOTION OF ART AND ARTISTIC AND CREATIVE ACTIVITIES.

Activities: Aim: Improving Mental Health through creativity. To use creativity as a tool to influence positive changes in people's mental wellbeing and attitudes towards mental health. To achieve this we run a service 4 days a week, this provides an innovative range of creative based services that are directed at improving and enhancing the quality of life, health and social integration of its members.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Arts/culture/heritage/science, Economic/community Development/employment
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NEWCASTLE AND GATESHEAD
- Gateshead
- Newcastle Upon Tyne City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£179,919	£173,261	-	-
2024-03-31	£183,665	£205,314	-	-
2023-03-31	£254,094	£248,429	-	-
2022-03-31	£215,411	£192,623	-	-
2021-03-31	£257,490	£241,395	-	-

Trustees

Name	Role	Appointed
ALISDAIR STEWART CAMERON		
DOUGLAS HUNTER		
Dr Toby Brandon		2019-09-11
JOHN BANKS		2017-12-21
NIKKI GIBBARD		2017-10-18

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

England & Wales - Charity number 1116957

Accounts

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2025

Charity Number 1116957
Company Number 05028177

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2025

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Chilli Studios (Newcastle and Gateshead Arts Studio) Limited

(A company limited by guarantee)

TRUSTEE ANNUAL REPORT (including Director's report)

For the year ended 31 March 2025

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ended 31 March 2025 which are also prepared to meet the requirements for a trustees' report and accounts for Companies Act purposes.

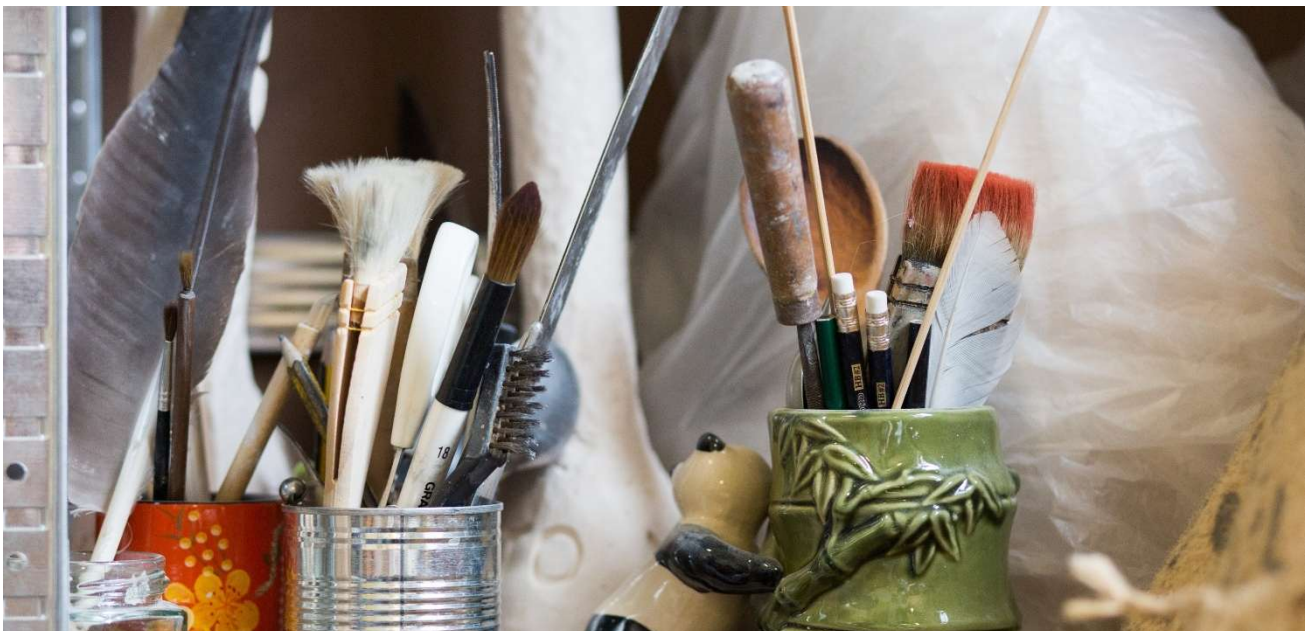
The financial statements comply with the Charities Act 2022, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective October 2019)

1. OBJECTIVES AND ACTIVITIES

Aims of the Charity

Our Aim is to improve mental health through providing access to creative activities.

As stated in governing document - The objects of the charity are to advance 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.



Objectives, strategies and activities for the year

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.



Summary of the year

The financial year April 2024 to March 2025 has been one of resilience, transformation, and progress for Chilli Studios, defined by the charity successfully navigating a highly challenging funding environment while maintaining strong delivery of our core mental health and creative programmes.

Early in the year, we faced significant financial pressures following the end of a number of long-term funding streams. This led to a necessary organisational restructure, including two staff redundancies

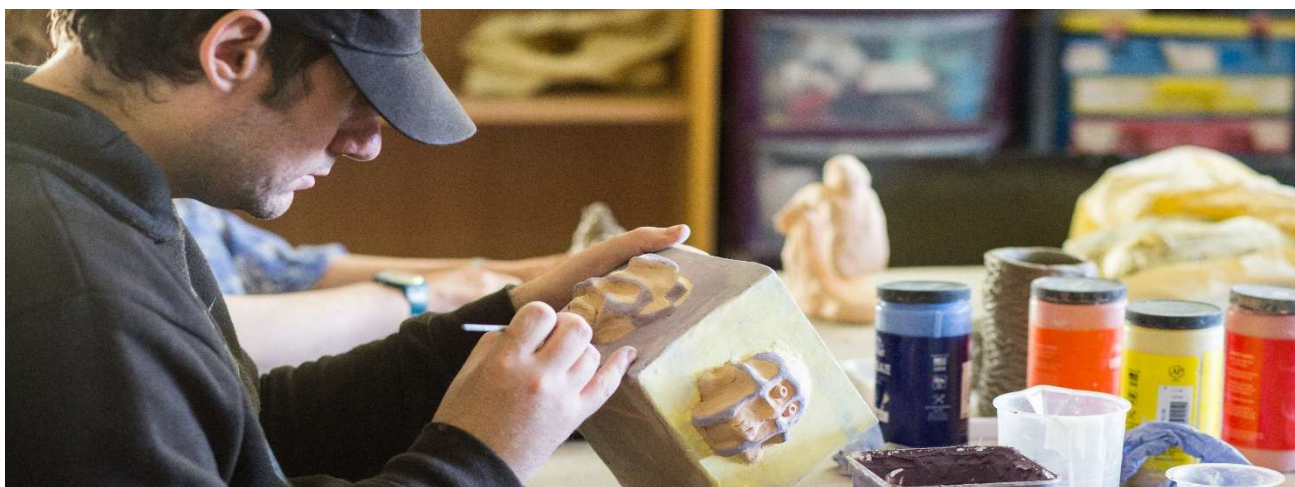
and the streamlining of freelance posts. Despite the difficulty, the transition was well-managed with support from a local HR specialist (Ethical HR) and trustees and resulted in a more sustainable staffing model with new Manager and Assistant Manager roles filled internally.



Thanks to these changes and the commitment of our members and volunteers, we continued to deliver a full service. Aside from a brief two-week summer closure due to staff leave, our programme remained consistent and impactful throughout. The year has also seen remarkable member engagement and support. Our community not only continued to benefit from services but actively contributed to sustaining them, demonstrating shared ownership and mutual care.

As we look ahead, Chilli Studios is now more agile, community-led, and well-positioned to continue delivering vital creative mental health support.

Activities



Chilli Studios has continued to make a significant positive impact on the health and well-being of our service users. Over the past year, despite a challenging early period, where we had to instigate a restructure, we nevertheless have successfully delivered 947 sessions, of which 831 were creative based workshops, engaging our members in a wide range of artistic and well-being-focused activities. These workshops have been well attended, with total participation reaching 8462 individual attendances across our 312 regularly attending registered studio members over the year.

We saw an initial drop in attendances following our restructure in late May for several months however, since November 2024 numbers have risen to the same level as before. We managed to achieve this impressive reach, despite our reduction in staffing, with many thanks to our members

and volunteers' skills and now feel the organisation is operating at both a more sustainable and effective level. With membership fully behind our new approach.

Through this work, Chilli Studios continues to provide a vital space for creative expression, social inclusion, and recovery, reinforcing the value of artistic engagement in supporting mental health.

- **Total sessions provided 1200**
- **Total attendance in Studio 11792**



Public Benefit Statement



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.

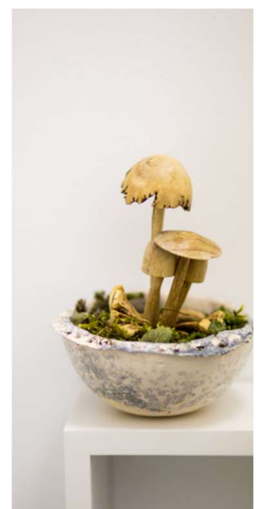
Policy on Grant Making

Chilli Studios does not offer grants to other organisations or individuals. All grants sourced are used solely for the charitable purposes laid out in our governing documents.

Policy on Social Investment

Chilli Studios does not have any Social Investment in place

If we do receive social investment in the future, we will invest in a diversified range of asset classes and regions. We will consider investment in stocks, bonds, property, and other investment vehicles that align with our charitable mission.



Our investment objectives will be to achieve growth and income. We will aim to generate sustainable returns that allow us to achieve our charitable objectives while protecting the capital value of any future investments. We will communicate investment performance to our stakeholders annually, including donors, beneficiaries, and the Charity Commission.

Contribution by Volunteers



All volunteers are required to fill in our volunteer form, provided with the full list of appropriate policies, and are DBS checked prior to engagement.

During April 2024 till March 2025 volunteers supported Chilli Studios in various areas, including workshop support, exhibition delivery, promotion design, administration and trip outs.

• **Volunteers supporting our activities 26**

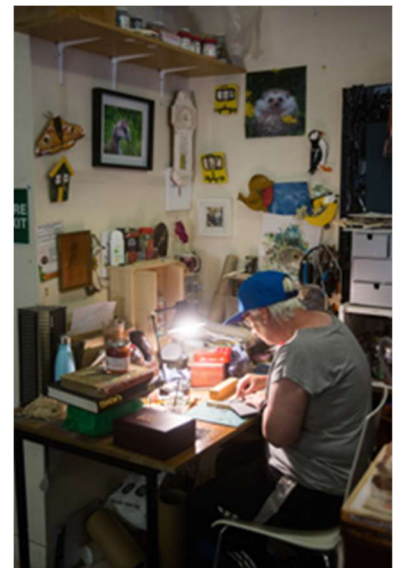
2. Achievements and Performance

Evaluation and outputs

Over the past year, Chilli Studios has made a significant positive impact on the health and well-being of our participants, particularly those facing mental health challenges, social isolation, and economic hardship. Our service users have continued to arrive from diverse backgrounds, with a high proportion residing in areas of deprivation. Many of our members experience complex needs, including long-term mental health conditions, neurodiversity, and financial insecurity.

In terms of quantitative data collection, we use multiple methods to assess the impact of our services, including:

- **Satisfaction Data – capturing user satisfaction and service effectiveness.**
- **Member Feedback Surveys – measuring individual experiences and outcomes from attending.**
- **Short Warwick-Edinburgh Mental Well-being Scale (SWEMWBS) – tracking improvements in mental health and social well-being.**



Satisfaction in service

Data is compiled using the mean average of all responses (shown as a percentage), with scores rated original in forms on a scale of: 1 – Very poor | 2 – Poor | 3 – Okay | 4 – Good | 5 – Excellent

Out of 96 individuals surveyed about satisfaction with our services the average are:

- 4.64 (92.8%) for creative support.
- 4.66 (93.2%) for well-being support.
- 4.3 (86%) for practical assistance.
- 4.46 (89.2%) for volunteer support.
- 4.41 (88.2%) for equipment and materials.
- 4.62 (92.4%) for workshop offer.



Impact on Health and Well-being



Members were asked to rate the impact of our activities using the following scale: 1 – None of the time | 2 – Rarely | 3 – Some of the time | 4 – Often | 5 – All of the time

Among 20 respondents:

- 4.3 (86%) for participation supported their well-being.
- 4.1 (82%) for improved creative skills.
- 4.1 (82%) for more socially connected.
- 3.9 (78%) for experienced reduced stress and anxiety.
- 3.7 (74%) reported increased confidence.
- 3.6 (73%) for were encouraged to support others.
- 3.25 (65%) for became less reliant on other services.
- 2.7 (54%) for felt supported in seeking employment, education, or volunteering opportunities.

SWEMWBS Well-being Assessment (18 Respondents)

Using the same rating scale, participants reported the following:

- 3.61 (72.2%) for optimistic about the future.
- 3.39 (67.8%) for useful and able to think clearly.
- 3.33 (66.6%) for more relaxed.
- 2.94 (58.8%) for better able to deal with problems.
- 3.39 (67.8%) for thinking clearly
- 3.11 (62.2%) for closer to others.
- 3.28 (65.6%) for confidence in making decisions.



The total score at Chilli Studios is 23 (65.5%), compared to the UK general population average of 23.5 (67%) with a standard deviation of 3.9 (11%) in UK general population samples (University of Warwick, 2011). The national study also identified a score of 18 (51%) or lower as indicative of probable clinical depression.

Given that Chilli Studios serves a diverse population of individuals referred for mental health challenges, the fact that members are recording scores in line with national averages suggests a possible positive impact of participation in Chilli Studios on well-being outcomes. Though it is acknowledged that baseline data taken prior to engagement would be required to verify this.

In conclusion, we feel these findings, highlights the consistent and critical role Chilli Studios plays in improving mental well-being, reducing isolation, and fostering personal growth. By targeting high-need communities and using a data-driven approach to evaluate our impact, we continue to demonstrate the transformative value of creativity in mental health support.



Fundraising

Reflecting on the year gone by, the most significant financial challenge arose in early 2024 following the unsuccessful renewal of National Lottery Reaching Communities funding after 11 years. This, combined with an increasingly competitive funding landscape, reduced funding availability (likely due to grant providers overspending during COVID and the cost-of-living crisis), and a sector-wide shift away from mental health funding, left our expenditure unsustainable. Without intervention, we projected reserves would fall below the decommissioning threshold, forcing closure before April 2025.

In response, swift and strategic action was taken. Two staff members accepted redundancy, while two transitioned into newly structured roles. Sessional staff contracts were ended, and we shifted focus to in-house talent within our membership and volunteers.

Despite the difficulties fundraising staff continued to seek support and during this period we have successfully leveraged additional funding for the April 2025- March 2026 financial year, including:

- **Newcastle Cultural Investment Fund – £60K (over 3 years)**
- **Sir James Knott Trust – £15K (over 3 years)**
- **UKRI – £33K (partnership project)**
- **William Charitable Trust – £7K**
- **Barbour Foundation – £9K**
- **Foyle Foundation – £5K**
- **Souters Trust – £2K**
- **Hill Dickinson – £1K**
- **Expected income generation (sales, donations, fees) – £24K**



Additionally, towards the end of the year, we have received the positive news that the ICB will provide £12.5K annually on an indefinite basis. With expenditure now reduced greatly and the above funds secured, the future seems much more secure.

Over the year, the charity was kindly supported by:

- **The Barbour Foundation**
- **Newcastle Community Foundation**
- **Hospital Of God**
- **Garfield Weston Foundation**
- **The Newcastle Fund**
- **Newcastle Culture Investment Fund**
- **Greggs Foundation**
- **The Joicey Trust**
- **Edward Gostling Foundation**
- **Joseph Brough Charitable Trust**
- **Daisy Marr fund**
- **Karbon Homes**
- **Catherine Cookson Foundation**
- **The James Knott Trust**
- **RW Mann Trust**
- **NLF – Awards for all**
- **Reeds Fund**
- **Barchester Charitable Foundation**
- **Hadrian Trust**
- **See Me North (UKRI funding)**
- **Souter Charitable Trust**
- **D'oyly Carte Charitable Trust**
- **Hill Dickinson Charitable Trust**



3. Financial review

Review of the year

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

During the year the Charity had income of £179,919 (2024: £183,665) of which £134,106 was restricted (2024: £124,087) and expenditure of £173,261 (2024: £205,314) of which £115,136 was restricted (2024: £148,662). There was an operating surplus of £6,658 (2024: deficit of £21,649) of which a surplus of £18,970 was restricted (2024: a surplus of £4,765).

At 31 March 2025 the Charity had net assets of £114,911 (2024: £108,253) of which £39,733 was restricted (2024: £21,017).

Reserves policy/Going concern

The Trustees consider the level of reserves, £75,178 (2024: £87,236), prudent for the Charity at this time taking into account potential liabilities in the event that the charity ceased. Our Reserves Policy is reviewed annually.

Risk Management

The Board is responsible for the management of the risks to which the Charity is exposed. A risk register is produced which considers financial, governance and delivery risks.

For each risk, the register identifies:

- Initial risk assessment in terms of impact and likelihood
- Initial risk rating
- Counter measures
- Responsibility / ownership
- Timescale
- Amended risk assessment in terms of impact and likelihood
- Amended risk rating



The Board reviews the risk register throughout the year. Through the countermeasures put in place in the risk register and the regular reviews and updates, the Board is satisfied that the major risks

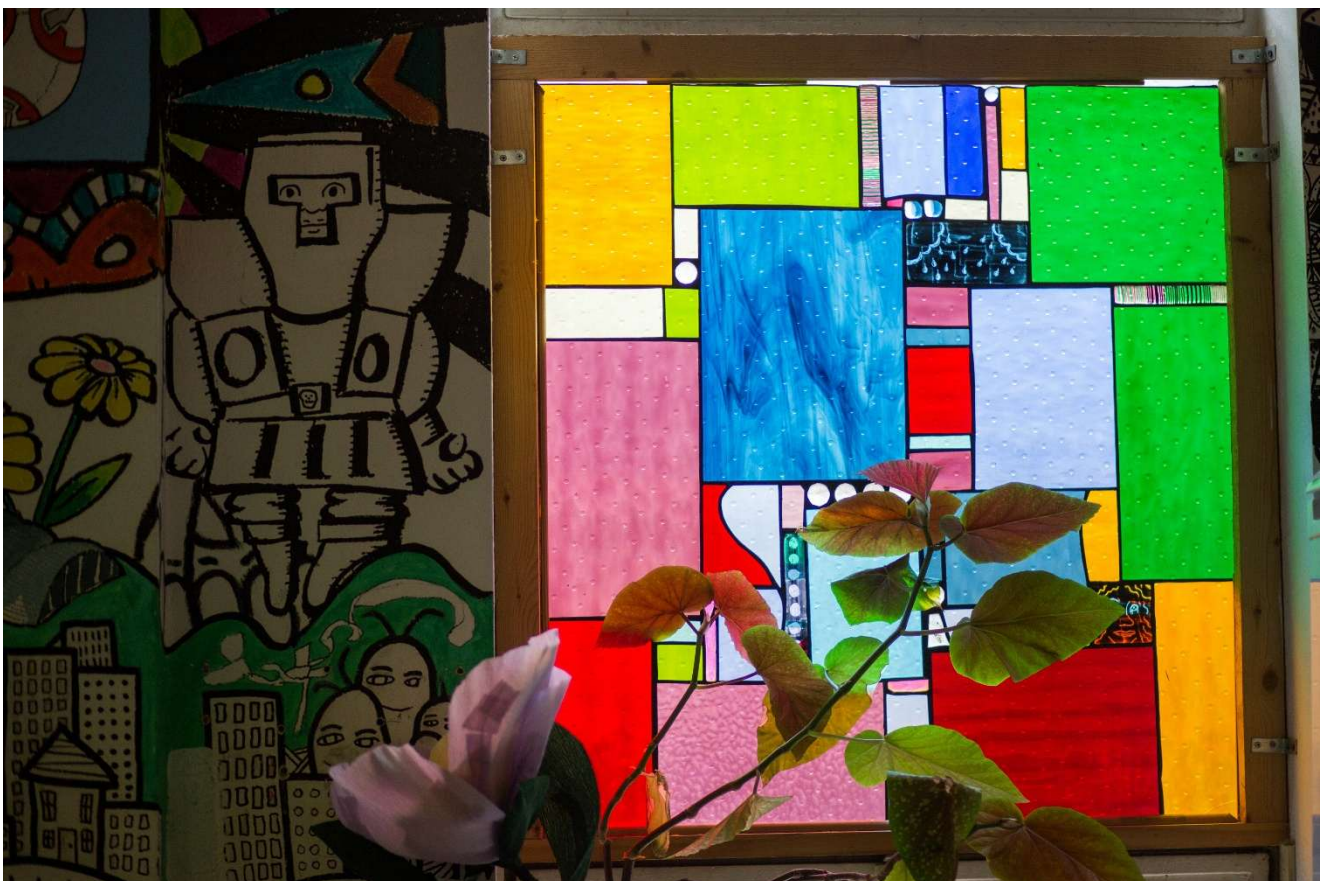
identified have been adequately mitigated. It is recognised that this approach can only provide reasonable but not absolute assurance that major risks have been adequately managed.

4. Plans for future periods.

As described previously, April 2024 to March 2025 was a challenging year, particularly for staff, who carried the responsibility of ensuring that services continued as normal despite financial difficulties. Naturally, despite our efforts to shield members from these challenges, they sensed the pressures we faced and sought clarification. We always responded with honesty and hope for the future.

What was truly inspiring, however, was their overwhelmingly positive and supportive response. Rather than simply expecting and receiving well-being support, members actively took on responsibility, becoming part of the solution. This collective willingness to contribute played a crucial role in our survival and resurgence.

As we move forward, we do so with a renewed appreciation for the power of shared agency and autonomy—embracing a model where the community not only benefits from support but also actively contributes to it. Partnerships have become an extremely valuable element of how we continue to engage outside of our sphere of reach, with established partnerships with The See Me North, Clay Connections and The Drawn Together projects all due to run throughout the next year.



5. Reference and administrative details of the charity, its trustees and advisors

Registered charity name: Chilli Studios (Newcastle and Gateshead Arts Studio) Ltd

Charity number: 1116957

Company registration number: 05028177

Registered office: The Blackfriars Centre
Newbridge Street
Newcastle Upon Tyne
NE1 2TQ

Trustees/Members of the Board: Mark Bell (Studio member – joined 7 April 2025)

Thomas William Lonsdale

Angela Mary Main

Dr Toby Brandon

Rachael Doyle-Hall Dr

John Banks

Nikki Gibbard

Alisdair Stewart Cameron

Douglas Hunter

Chief Executive and Senior staff members:

Robert Malpiedi (CEO)

Carole Hall (Company Secretary)

Independent Examiner:

Doug Maltman FMAAT

Connected Voice Business Services

One Strawberry Lane

Newcastle upon Tyne

NE1 4BX

Banking Santander UK Plc:

Business Banking

301 St Vincent Street

Glasgow

G2 5NT

Solicitors None allocated

6. Structure, governance and management



Governing Document

The organisation is a Charitable Company Limited by Guarantee. The Company was established under a Memorandum of Association, which established the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of a winding up any member (who is a director) undertakes to contribute to the payment of liabilities, such amount as may be required not exceeding the total of £1.

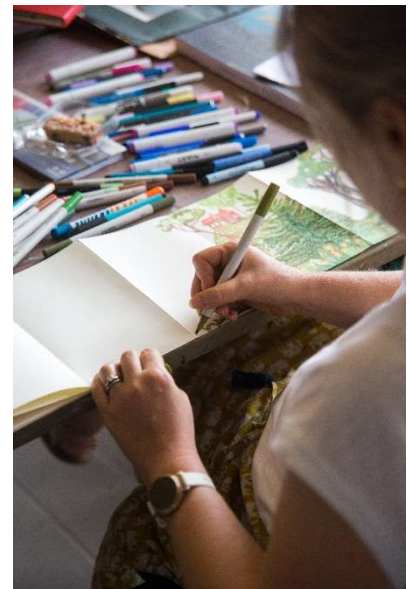
Recruitment and Appointment of the Board

The Directors of the Company are also Trustees for the purposes of charity law and under the company's Articles are also its members. Under the requirements of the Memorandum and Articles of Association, at the Annual General Meeting one-third of the Directors, who are subject to retirement by rotation, shall retire. Retiring Directors can be re-appointed at the Annual General Meeting.

Trustees are selected on the basis of specialist skills and commitment to the objectives and aims of the organisation.

Board Induction and Training

New Board Members are introduced to the work of the organisation and informed of their legal roles and responsibilities at an induction meeting. The induction and training programme for new Board Members includes:



- A briefing by the Chair or Chief Executive
- An explanation of roles and responsibilities as a Board Member
- Copies of the main company documents including the Memorandum and Articles of Association and the Financial Statements
- Copy of the business plan and most recent evaluation report
- Copies of recent board papers including budgets and management accounts
- A copy of the Charity Commission publication "How to be an Effective Trustee."
- A copy of the governance structure.



7. Statement of Trustee Responsibilities

The trustees, who are also directors for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of incoming resources and application of resources, including the income and expenditure of the charitable company for that year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 09.12.2025 and signed on their behalf by:

A Cameron
(Chair)



CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 March 2025

I report on the financial statements of Chilli Studios (Newcastle and Gateshead Arts Studio) Limited for the year ended 31 March 2025, which are set out on pages 17 to 28.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2022 ("the Charities Act) and that an independent examination is needed.

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

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

have come across the matter in connection with the examination which attention should be drawn to in this report in order to enable a proper understanding of the accounts to be reached.

Doug Maltman
Fellow Member of the Association of Accountancy Technicians
Connected Voice Charity Business Services
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX
Date: 09.12.2025



CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

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STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 March 2025

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Income from:					
Donations and legacies	6	45,568	-	45,568	37,058
Charitable activities					
Grants and contracts	7	-	134,106	134,106	144,087
Other trading activities	8	245	-	245	2,520
Total income		45,813	134,106	179,919	183,665
Expenditure on:					
Charitable activities					
Operation of the charity	9	58,125	115,136	173,261	205,314
Total expenditure		58,125	115,136	173,261	205,314
Net income/(expenditure)		(12,312)	18,970	6,658	(21,649)
Transfers between funds		254	(254)	-	-
Net movement of funds		(12,058)	18,716	6,658	(21,649)
Reconciliation of funds					
Total funds brought forward		87,236	21,017	108,253	129,902
Total funds carried forward		75,178	39,733	114,911	108,253

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 19 to 28 form an integral part of these accounts.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITE

(A company limited by guarantee)

Charity Number 1116957
Company Number 05028177**BALANCE SHEET**

As at 31 March 2025

	Notes	£	Total 2025 £	£	Total 2024 £
<u>Current assets</u>					
Debtors	16	1,279		-	
Cash at bank and in hand	17	116,860		138,563	
		118,139		138,563	
Creditors: amounts falling due within one year					
	18	(3,228)		(30,310)	
			114,911		108,253
			114,911		108,253
<u>Funds of the charity</u>					
Unrestricted income funds			75,178		87,236
Restricted income funds			39,733		21,017
			114,911		108,253

The company was entitled to an exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with the respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The notes on pages 19 to 28 form an integral part of these accounts.

These financial statements were approved by the Board on: 09.12.2025

and are signed on its behalf by:

A Cameron
Chairperson

A. S. Cameron

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with 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 and Republic of Ireland (FRS 102) (effective October 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2022.

Chilli Studios (Newcastle and Gateshead Arts Studio) Limited meets the definition of a public benefit entity

2.2 Preparation of the accounts on a going concern basis

The charity reported total unrestricted funds at the year end of- £12,058 and has already secured a significant amount of funding for the current year. The trustees are of the view that the immediate future of the charity for the next 12 to 18 months is secure and that on this basis the charity is a going concern.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

3.4 Donated goods and services

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided that the value of the gift can be measured reliably. Donated services and facilities that are consumed immediately are recognised as income with the equivalent amount recognised as an expense under the appropriate heading in the SoFA.

3.5 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

3.6 Interest receivable

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.

3.7 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

3.8 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of work and other activities undertaken to further the purposes of the charity and their associated support costs.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
6 Donations and legacies				
Donations and gifts	5,013	-	5,013	5,449
Membership subscriptions	30,077	-	30,077	19,435
Other	10,478	-	10,478	12,174
	<u>45,568</u>	<u>-</u>	<u>45,568</u>	<u>37,058</u>
7 Charitable activities				
<u>Income from grants</u>				
Barbour Foundation	-	11,000	11,000	7,417
Connected Voice	-	-	-	2,917
Garfield Weston	-	25,000	25,000	20,000
Greggs	-	13,000	13,000	12,000
Hospital of God	-	1,000	1,000	250
Joicey Trust	-	-	-	1,333
Newcastle Building Society	-	-	-	2,000
Prime	-	-	-	417
Reed	-	2,000	2,000	-
Rington Fund	-	-	-	2,083
Suicide Prevention Fund	-	-	-	385
Big Lottery Fund	-	5,513	5,513	52,699
NCIF	-	20,000	20,000	20,000
Newcastle Fund	-	-	-	1,875
Edward Gosling	-	1,667	1,667	8,333
Joseph Brough	-	-	-	2,917
Daisy Marr	-	-	-	2,250
Karbon Homes	-	720	720	720
Catherine Cookson	-	-	-	333
J Knott	-	7,500	7,500	2,500
R W Mann	-	667	667	333
National Lottery Fund	-	16,625	16,625	3,325
Barchester Health	-	1,000	1,000	-
1989 Willan Charitable Trust	-	10,000	10,000	-
Doyle Carte Trust (Music)	-	4,620	4,620	-
Hadrian Trust	-	500	500	-
Hill Dickinson	-	1,000	1,000	-
See Me North	-	10,294	10,294	-
The Souter Charitable Trust	-	2,000	2,000	-
	<u>-</u>	<u>134,106</u>	<u>134,106</u>	<u>144,087</u>
8 Other trading activities				
Sales of goods	245	-	245	2,520
	<u>245</u>	<u>-</u>	<u>245</u>	<u>2,520</u>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Income was £179,919 (2024: £183,665) of which £45,813 was unrestricted or designated (2024: £59,578) and £134,106 was restricted (2024: £124,087)

Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
9 Charitable activities				
<u>Direct costs</u>				
Direct staff salaries	25,944	62,051	87,995	146,511
Direct employers NI	1,427	1,216	2,643	3,885
Direct pension costs	1,892	1,612	3,504	5,106
Sessional Artists fees	-	29,303	29,303	-
Promotion of art and artistic and creative activities	4,010	3,317	7,327	6,497
<u>Support costs</u>				
Volunteer costs	527	16	543	-
Other support costs	5,300	1,149	6,449	7,008
Professional fees	522	434	956	1,534
Rent	13,277	15,136	28,413	27,269
Promotion and marketing	-	-	-	636
Insurance	-	732	732	1,232
<u>Governance costs</u>				
Accountancy services	4,050	170	4,220	4,460
Independent examiner's fees for reporting on the accounts	1,176	-	1,176	1,176
	<u>58,125</u>	<u>115,136</u>	<u>173,261</u>	<u>205,314</u>

Expenditure on charitable activities was £173,261 (2024: £205,314) of which £58,125 was unrestricted or designated (2024: £56,652) and £115,136 was restricted (2024: £148,662)

10 Fees for examination of the accounts

	2025 £	2024 £
Independent examiner's fees for reporting on the accounts	1,176	1,176
	<u>1,176</u>	<u>1,176</u>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

11 Analysis of staff costs and the cost of key management personnel

	2025	2024
	£	£
Salaries and wages	87,995	102,019
Social security costs	2,643	3,885
Pension costs (defined contribution pension plan)	3,504	5,106
	<u>94,142</u>	<u>111,010</u>

No employee received remuneration above £60,000 (2024: £nil)

The key management personnel of the charity, comprise the trustees and the charity manager. The total employee benefits of the key management personnel of the charity were £35,857 (2024: £23,661).

12 Staff numbers

The head count was 5 staff (2024: 6 staff).

13 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

14 Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The employer's pension costs represent contributions payable by the charity to the fund and amount to £3,504 (2024: £5,106). There was £391 outstanding as at 31 March 2025 (2024: £1,162)

15 Corporation 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 objectives.

16 Debtors and prepayments (receivable within 1 year)

	2025	2024
	£	£
Other debtors	1,279	-
	<u>1,279</u>	<u>-</u>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

17 Cash at bank and in hand

	2025	2024
	£	£
Cash at bank	115,130	138,682
Cash in hand	1,730	(119)
	116,860	138,563

18 Creditors and accruals (payable within 1 year)

	2025	2024
	£	£
Accruals		
Independent examination of accounts	1,176	1,176
Other accruals	2,052	1,162
Deferred income		
Greggs Trust	-	1,000
Big Lottery Fund	-	5,513
R W Mann	-	667
Edward Gosling	-	1,667
J Knott	-	2,500
National Lottery Fund	-	16,625
	3,228	30,310

19 Deferred income

Deferred income comprises of advance payments from grants that relate to future periods

	2025	2025
	£	£
Balance brought forward	27,972	67,431
Amount released to income earned from charitable activities	(27,972)	(67,431)
Amount deferred in year	-	27,972
Balance carried forward	-	27,972

20 Events after the end of the reporting period

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

21 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Fund balances brought forward	Incoming resources	Resources expended	Transfers	Fund balances carried forward
	£	£	£	£	£
Unrestricted funds					
General unrestricted fund	57,237	45,813	(58,125)	254	45,179
Designated funds					
Governance	20,000	-	-	-	20,000
Research and Development	10,000	-	-	-	10,000
Totals	87,237	45,813	(58,125)	254	75,178

Purpose of unrestricted funds

General unrestricted fund	The 'free reserves' of the charity
Designated Funds:	
Governance	Funds to cover the Governance of the service.
Research and Development	Funds to support strategic development.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

21 Analysis of charitable funds (continued)

Analysis of movement in restricted funds

Restricted funds	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
National Lottery Fund	18,030	16,625	(34,655)	-	-
Lloyds Bank Foundation	9	-	-	(9)	-
Big Lottery Fund	-	5,513	(5,638)	125	-
Edward Gosling	30	1,667	(1,666)	(31)	-
J Knott	-	7,500	(5,040)	-	2,460
Karbon Homes	-	720	(714)	(6)	-
Daisy Marr	151	-	-	(151)	-
R W Mann	-	667	(675)	8	-
Barbour Foundation	-	11,000	(2,617)	-	8,383
NCIF	1,606	20,000	(21,540)	-	66
Greggs Foundation	1,001	13,000	(12,105)	-	1,896
Newcastle Fund	190	-	-	(190)	-
Hospital of God	-	1,000	(1,000)	-	-
1989 Willian Charitable Trust	-	10,000	(10,000)	-	-
Doyle Carte Trust (Music)	-	4,620	-	-	4,620
Garfield Weston	-	25,000	(16,978)	-	8,022
Barchester Health	-	1,000	(8)	-	992
Hadrian Trust	-	500	(500)	-	-
Hill Dickinson	-	1,000	-	-	1,000
Reed	-	2,000	(2,000)	-	-
See Me North	-	10,294	-	-	10,294
The Souter Charitable Trust	-	2,000	-	-	2,000
Totals	21,017	134,106	(115,136)	(254)	39,733

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

National Lottery Fund	Sessional costs.
Lloyds Bank Foundation	Sessional costs.
Big Lottery Fund	Reaching Communities Funding.
Edward Gosling	Sessional costs.
J Knott	TE fees and sessional
Karbon Homes	TE fees and sessional
Daisy Marr	Sessional and promotion.
R W Mann	Sessional costs.
Barbour Foundation	Support for Creative operations.
NCIF	Management costs.
Greggs Foundation	Manager and Arts Worker salaries.
Newcastle Fund	Photography.
Hospital of God	Sessional costs.
1989 Willan Charitable Trust	Rental

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Purpose of restricted funds (continued)

Doyle Carte Trust	Sessional costs.
Garfield Weston	Core costs
Barchester Health	Materials
Hadrian Trust	Materials
Hill Dickinson	TE fees and sessional
Reed	Materials
See Me North	Core costs
The Souter Charitable Trust	TE fees and Sessional

Transfers between funds

	Reason for transfer	Amount £
Between unrestricted and restricted funds	To cover overspends on restricted funds.	254

22 Capital commitments

As at 31 March 2025, the charity had no capital commitments (2024 -£nil)

23 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Cash at bank and in hand	77,127	39,733	116,860	138,563
Other net current assets/(liabilities)	(1,949)	-	(1,949)	(30,310)
	<u>75,178</u>	<u>39,733</u>	<u>114,911</u>	<u>108,253</u>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

England & Wales - Charity number 1116957

Accounts

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2024

Charity Number 1116957
Company Number 05028177

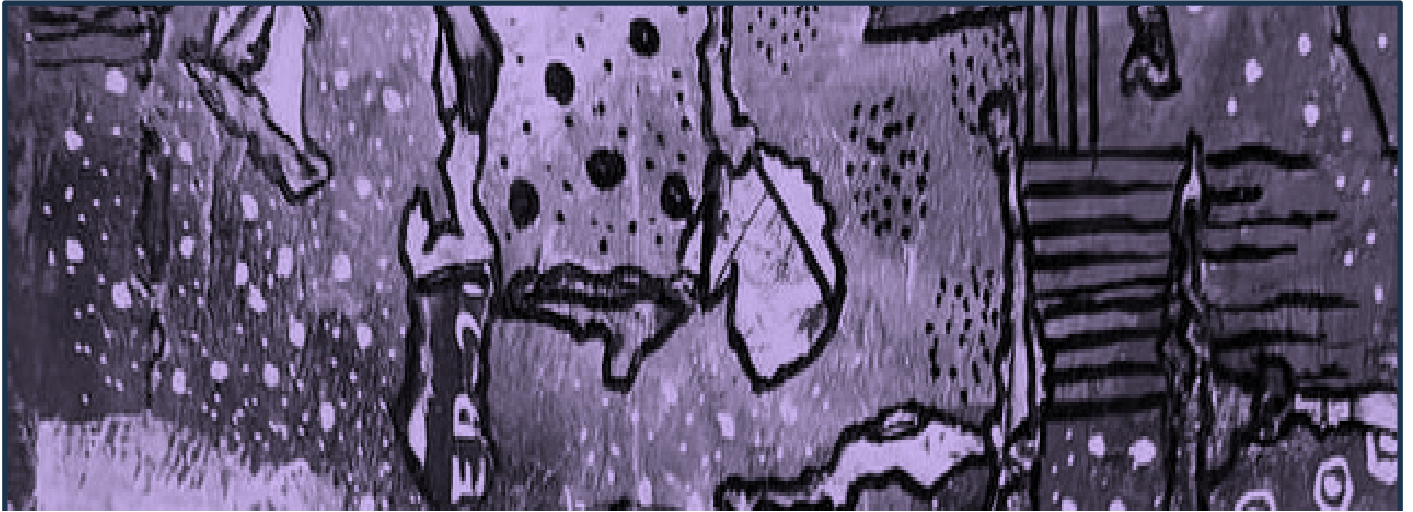
CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2024

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CHILLI STUDIOS (NEWCASTLE AND GATESHEADS ARTS STUDIO) LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 31st March 2024

Charity Number 1116957
Company Number 05028177



Chilli Studios (Newcastle and Gateshead Arts Studio) Limited

(A company limited by guarantee)

TRUSTEE ANNUAL REPORT (including Director's report)

For the year ended March 31st 2024

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ended March 31st 2024 which are also prepared to meet the requirements for a trustees' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2022, the Companies Act 2006, the Memorandum and Articles of Association, and 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 and Republic of Ireland (FRS 102) (effective October 2019)

1. OBJECTIVES AND ACTIVITIES

Aims of the Charity

Our Aim is to improve mental health through providing access to creative activities.

As stated in governing document - The objects of the charity are to advance 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

Objectives, strategies and activities for the year

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.





Activities

In January 2024, Chilli Studios celebrated the milestone of 20 years, something we are all very proud of. This year we provide around 13 workshops a week in all manner of creative activities; from music to writing, from animation to printmaking and much more in-between. This year we have worked with 302 registered members within the studio and many more through partnerships and external projects, totalling 11,686 activity participations.

Total workshops sessions provided	1895
Total people engaging in activities	11686
Training sessions provided for members and vols	622
Total audience & participants:	20205
Attendance empowering peers and vols sessions	2374
Volunteers supporting our activities	23
Trips to cultural venues/sites	32
Guest artist sessions	57
Exhibitions & screenings and Events	48



Public Benefit Statement

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.

Policy on Grant Making

Chilli Studios dose not offer grants to other organisations or individuals. All grants sourced are used solely for the charitable purposes laid out in our governing documents.

Policy on Social Investment

Chilli Studios does not have any Social Investment in place

If we do receive social investment in the future, we will invest in a diversified range of asset classes and regions. We will consider investment in stocks, bonds, property, and other investment vehicles that align with our charitable mission.

Our investment objectives will be to achieve growth and income. We will aim to generate sustainable returns that allow us to achieve our charitable objectives while protecting the capital value of any future investments. We will communicate investment performance to our stakeholders annually, including donors, beneficiaries, and the Charity Commission.

Contribution by Volunteers

All volunteers are required to fill in our volunteer form, provided with the full list of appropriate policies and are DBS checked prior to engagement.

During April 2023 till March 2024 volunteers supported Chilli Studios in various areas including workshop support, exhibition delivery, promotion design, administration and trip outs.

Total sessions supported by Volunteers/peers 1210

Average Volunteer hours (1 vol for 2.5 hours per sess) 3025



2. Achievements and Performance

Evaluation and outputs

Quantitative evaluative evidence

Measured through a QR system, participant satisfaction with activities, materials, support, and equipment boasts an impressive average score of 4.57 (out of 5), translating to a remarkable 91.5% satisfaction score

Evidenced positive Impact on Wellbeing: Short Warwick-Edinburgh Mental Wellbeing Scale (Short WEMWBS) scores show a current average of 26.4, which remains significantly above the national average of 23.5 (recorded in 2016). While there's a slight decrease from the previous year (27), it's crucial to consider that individuals entering the program would most likely initially score lower than a national average due to existing mental health concerns, suggesting a significant positive change has been achieved in their life.

Qualitative Insights

- Social and Creative Benefits emerged as the most significant contributors, followed closely by support in managing anxiety/stress, practical assistance, and confidence building.

- Areas for Development: Impact on reducing reliance on clinical interventions and facilitating opportunities like employment or education scored slightly lower (around 3.5), highlighting a need for increased investment in helping participants transition beyond the program.

Looking Forward: Building upon the strong foundation of member satisfaction and positive wellbeing outcomes, Chilli Studios' future strategy will now prioritise strengthening support for participants as they transition to the next chapter, potentially involving employment, volunteering, or further education.

Progression-Based Support: Programs that equip members with skills to transition into volunteer and paid roles within Chilli Studios, fostering a supportive community while strengthening service delivery.

External Service Provision: Chilli Studios' evolving identity as a provider of external services on wellbeing and creativity presents exciting opportunities. This could involve freelance and Therapeutic Enabler-led activities, generating revenue that directly supports core services.





Fundraising

Funding Overview:

Over the year the charity was kindly supported by:

The Barbour Foundation, The Hospital Of God, The National Lottery Fund (Reaching Communities & Awards for all), The Garfield Weston Foundation, The Newcastle Fund, The Newcastle Culture Investment Fund, The Greggs Foundation, The Rington Fund, Connected Voice, The Joicey Trust, The Suicide Prevention Fund, The Prime Fund, Newcastle Building Society, The Edward Gostling Foundation, Joseph Brough Charitable Trust, The Daisy Marr Fund, Karbon Homes, The Catherine Cookson Charitable Trust, The James Knott Trust, The RW Mann Trust

Looking forward

- **Shortfall:** We face a significant shortfall in funds and will be running in deficit of approx. £7500 each month.
- **Reserves:** Fortunately, our unrestricted reserves of £87,236 can help bridge the immediate gap. However, securing significant funding within the next 6 months is crucial for medium-term sustainability.

Contingency Planning: With this current financial narrative, the staff and board have proactively discussed potential cost-reduction measures in case of continued funding shortfalls:

Phase 1: Scaling down of non-essential equipment and materials (partially implemented). **Phase 2:** Reduction in freelance hours, with core staff taking on more delivery responsibilities. This would impact our program

offerings and potentially some Therapeutic Enablers who currently work as freelancers. **Phase 3:** Reduction of core staff, impacting our operational capacity.

Decommissioning Funds: A reserve of £25,000 is allocated for decommissioning in a worst-case scenario, covering redundancies, contract closures, and space clearing.

Looking Ahead: Despite these challenges, Chilli Studios remains optimistic. Our commitment to responsible financial management and our strong reputation gives us confidence in navigating this period.





3. Financial review

Review of the year

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

During the year the Charity had income of £183,665 (2023: £254,094) of which £124,087 was restricted (2023: £224,261) and expenditure of £205,314 (2023: £248,429) of which £148,662 was restricted (2023: £227,967). There was an operating deficit of surplus of £21,649X (2023: surplus of £5,665) of which a deficit of £24,575 was restricted (2023: a deficit of £3,706).

At 31 March 2024 the Charity had net assets of £108,253 (2023: £129,902) of which £214,017 was restricted (2023: £16<252).

Reserves policy/Going concern

The Trustees consider the level of reserves, £87,236 (2023: £113,650), prudent for the Charity at this time taking into account potential liabilities in the event that the charity ceased. Our Reserves Policy is reviewed annually.

Risk Management

The Board is responsible for the management of the risks to which the Charity is exposed. A risk register is produced which considers financial, governance and delivery risks.

For each risk, the register identifies:

- Initial risk assessment in terms of impact and likelihood
- Initial risk rating
- Counter measures
- Responsibility / ownership
- Timescale
- Amended risk assessment in terms of impact and likelihood
- Amended risk rating

The Board reviews the risk register throughout the year. Through the counter measures put in place in the risk register and the regular reviews and updates, the Board is satisfied that the major risks identified have been adequately mitigated. It is recognised that this approach can only provide reasonable but not absolute assurance that major risks have been adequately managed.

4. Plans for future periods.

As we approach the start of the financial year 2024 to 2025, we have begun to increase in partnership work for Chilli Studios and see this as a valuable asset in increasing our reach:

- **Research Bids:** We've has been actively involved in several research bids, one from UKRI will explore how creative interventions can benefit individuals experiencing homelessness.
- **Employability Support:** with the North East Autism Society and Azure Housing will support employability for individuals with neurodiversity, aiming to create opportunities for skill development and inclusion in the workforce.
- **Training Program for Older People:** In collaboration with Equal Arts, to develop training programs addressing mental health issues among older people, emphasising the role of creativity in promoting wellbeing.





- **Wellbeing Hub Support:** We've been invited to support the creative offerings within the new Wellbeing Hub managed by the local Integrated Care Board.

- **Peer Partnerships and Sustainability:** We have formed a Peer Partnership with Newbridge Project, focusing on researching natural processes in printmaking and textiles, as well as exploring sustainability and ethical practices.

- **LGBTQI Gardening Group:** Through a partnership with Top Soil, an LGBTQI

gardening group, we are fostering shared values and increasing awareness of LGBTQI issues while promoting community engagement and green spaces.

- **Mindfulness and Creativity:** We are developing a partnership project to explore mindfulness principles through creativity, particularly focusing on music as a therapeutic medium.

Another area of work we are keen to develop over the forthcoming year is Peer Support and progression. Chilli Studios fosters a dynamic environment where members can develop their skills, transition into paid roles, and contribute meaningfully to the community.

The Therapeutic Enabler (TE) Model: This innovative model provides employment opportunities for members who excel in peer volunteer roles. Following skill development, individuals are employed as freelance TEs, earning wages above living wage rates. Currently, 4 members hold regular TE positions, with 3 others contributing flexibly. A salaried TE position (working 7 hours per week) supports our core staff in providing various areas of member progression.

Progression examples:

- **A testament to the program's success,** one member now serves on the board of trustees, ensuring service user voices are heard. Another member acts in an advisory role.

- **External Opportunities:** Four volunteers are enrolled in courses on ceramics, media studies, and counselling.
- **Community Collaboration:** The studio's strong relationship with landlord SVP has opened doors for volunteer opportunities. Four volunteers and three members now regularly contribute at St. Vincent de Paul. Chilli Studio see it's peer support program as now a cornerstone of its future success and sustainability. By empowering members, fostering collaboration, and advocating for their voices we are providing a service that improves wellbeing and utilises reciprocity for overall benefit.





5. Reference and administrative details of the charity, its trustees and advisors

Registered charity name	Chilli Studios (Newcastle and Gateshead Arts Studio) Ltd
Charity number	1116957
Company registration number	05028177
Registered office	The Blackfriars Centre Newbridge Street Newcastle Upon Tyne NE1 2TQ
Trustees and Members of the Board	Frank Lee Smith (19th March 2024) Thomas William Lonsdale Angela Mary Main Dr Toby Brandon Rachael Doyle-Hall Dr John Banks Nikki Gibbard Alisdair Stewart Cameron Douglas Hunter
Chief Executive and Senior staff members	Robert Malpiedi (CEO) Carole Hall (Company Secretary)
Independent Examiner	Doug Maltman FMAAT Connected Voice Business Services One Strawberry Lane Newcastle upon Tyne NE1 4BX
Bankers	Unity Trust Bank Nine Brindley place Birmingham B1 2HB Santander UK Plc Business Banking 301 St Vincent Street Glasgow G2 5NT
Solicitors	None allocated

6. Structure, governance and management

Governing Document

The organisation is a Charitable Company Limited by Guarantee. The Company was established under a Memorandum of Association, which established the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of a winding up any member (who is a director) undertakes to contribute to the payment of liabilities, such amount as may be required not exceeding the total of £1.

Recruitment and Appointment of the Board

The Directors of the Company are also Trustees for the purposes of charity law and under the company's Articles are also its members. Under the requirements of the Memorandum and Articles of Association, at the Annual General Meeting one-third of the Directors, who are subject to retirement by rotation, shall retire. Retiring Directors can be re-appointed at the Annual General Meeting.

Trustees are selected on the basis of specialist skills and commitment to the objectives and aims of the organisation.

Board Induction and Training

New Board Members are introduced to the work of the organisation and informed of their legal roles and responsibilities at an induction meeting. The induction and training programme for new Board Members includes:

- A briefing by the Chair or Chief Executive
- An explanation of roles and responsibilities as a Board Member
- Copies of the main company documents including the Memorandum and Articles of Association and the Financial Statements
- Copy of the business plan and most recent evaluation report
- Copies of recent board papers including budgets and management accounts
- A copy of the Charity Commission publication "How to be an Effective Trustee"
- A copy of the governance structure.





7. Statement of Trustee Responsibilities

The trustees, who are also directors for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of incoming resources and application of resources, including the income and expenditure of the charitable company for that year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.
- The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 09.12.2024 and signed on their behalf by: A Cameron
(Chair)



CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 March 2024

I report on the financial statements of Chilli Studios (Newcastle and Gateshead Arts Studio) Limited for the year ended 31 March 2024, which are set out on pages 12 to 23.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2022 ("the Charities Act) and that an independent examination is needed.

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

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I 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.

Doug Maltman
Fellow Member of the Association of Accountancy Technicians
Connected Voice Charity Business Services
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX
Date: 09.12.2024

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 March 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Income from:					
Donations and legacies	6	37,058	-	37,058	26,010
Charitable activities					
Grants and contracts	7	20,000	124,087	144,087	224,260
Other trading activities	8	2,520	-	2,520	3,824
Total income		59,578	124,087	183,665	254,094
Expenditure on:					
Charitable activities					
Operation of the charity	9	56,652	148,662	205,314	248,429
Total expenditure		56,652	148,662	205,314	248,429
Net income/(expenditure)		2,926	(24,575)	(21,649)	5,665
Transfers between funds		(29,340)	29,340	-	-
Net movement of funds		(26,414)	4,765	(21,649)	5,665
Reconciliation of funds					
Total funds brought forward		113,650	16,252	129,902	124,237
Total funds carried forward		87,236	21,017	108,253	129,902

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 14 to 23 form an integral part of these accounts.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with 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 and Republic of Ireland (FRS 102) (effective October 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2022.

Chilli Studios (Newcastle and Gateshead Arts Studio) Limited meets the definition of a public benefit entity

2.2 Preparation of the accounts on a going concern basis

The charity reported total unrestricted funds at the year end of- £26,414 and has already secured a significant amount of funding for the current year. The trustees are of the view that the immediate future of the charity for the next 12 to 18 months is secure and that on this basis the charity is a going concern.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

3.4 Donated goods and services

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided that the value of the gift can be measured reliably. Donated services and facilities that are consumed immediately are recognised as income with the equivalent amount recognised as an expense under the appropriate heading in the SoFA.

3.5 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

3.6 Interest receivable

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.

3.7 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

3.8 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of work and other activities undertaken to further the purposes of the charity and their associated support costs.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
6 Donations and legacies				
Donations and gifts	5,449	-	5,449	6,580
Membership subscriptions	19,435	-	19,435	15,533
Other	12,174	-	12,174	3,897
	<u>37,058</u>	<u>-</u>	<u>37,058</u>	<u>26,010</u>
7 Charitable activities				
<u>Income from grants</u>				
Barbour Foundation	-	7,417	7,417	4,583
Connected Voice	-	2,917	2,917	6,067
D Oylly	-	-	-	3,117
Garfield Weston	20,000	-	20,000	16,667
Greggs	-	12,000	12,000	11,000
Henry Smith	-	-	-	15,000
Hospital of God	-	250	250	2,750
Joicey Trust	-	1,333	1,333	2,833
Jubilee Fund	-	-	-	6,254
Newcastle Building Society	-	2,000	2,000	1,250
Prime	-	417	417	4,583
Reed	-	-	-	2,090
Rington Fund	-	2,083	2,083	4,154
Suicide Prevention Fund	-	385	385	12,448
Big Lottery Fund	-	52,699	52,699	94,475
Enterprise Development Fund	-	-	-	13,501
Lloyds Foundation	-	-	-	1,721
NCIF	-	20,000	20,000	21,767
Newcastle Fund	-	1,875	1,875	-
Edward Gosling	-	8,333	8,333	-
Joseph Brough	-	2,917	2,917	-
Daisy Marr	-	2,250	2,250	-
Karbon Homes	-	720	720	-
Catherine Cookson	-	333	333	-
J Knott	-	2,500	2,500	-
R W Mann	-	333	333	-
National Lottery Fund	-	3,325	3,325	-
	<u>20,000</u>	<u>124,087</u>	<u>144,087</u>	<u>224,260</u>
8 Other trading activities				
Sales of goods	2,520	-	2,520	3,824
	<u>2,520</u>	<u>-</u>	<u>2,520</u>	<u>3,824</u>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

Income was £183,665 (2023: £254,094) of which £59,578 was unrestricted or designated (2023: £29,833) and £124,087 was restricted (2023: £224,261)

Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
9 Charitable activities				
<u>Direct costs</u>				
Direct staff salaries	28,010	74,009	102,019	113,382
Direct employers NI	825	3,060	3,885	4,283
Direct pension costs	1,084	4,022	5,106	5,757
Promotion of art and artistic and creative activities	2,429	4,068	6,497	13,943
	-	-	-	-
<u>Support costs</u>				
Staffing costs	1,282	43,210	44,492	47,986
Other support costs	4,426	2,582	7,008	10,876
Repairs and renewals	-	-	-	1,104
Professional fees	234	1,300	1,534	11,550
Rent	13,576	13,693	27,269	30,962
Promotion and marketing	113	523	636	920
Insurance	454	778	1,232	767
<u>Governance costs</u>				
Accountancy services	3,043	1,417	4,460	5,686
Independent examiner's fees for reporting on the accounts	1,176	-	1,176	1,200
Companies House	-	-	-	13
	<u>56,652</u>	<u>148,662</u>	<u>205,314</u>	<u>248,429</u>

Expenditure on charitable activities was £205,314 (2023: £248,429) of which £56,652 was unrestricted or designated (2023: £20,462) and £148,662 was restricted (2023: £227,967)

10 Fees for examination of the accounts

	2024 £	2023 £
Independent examiner's fees for reporting on the accounts	1,176	1,200
	<u>1,176</u>	<u>1,200</u>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

11 Analysis of staff costs and the cost of key management personnel

	2024 £	2023 £
Salaries and wages	102,019	113,382
Social security costs	3,885	4,283
Pension costs (defined contribution pension plan)	5,106	5,757
	<u>111,010</u>	<u>123,422</u>

No employee received remuneration above £60,000 (2023: £nil)

The key management personnel of the charity, comprise the trustees and the charity manager . The total employee benefits of the key management personnel of the charity were £23,661 (2023: £29,138).

12 Staff numbers

The average monthly head count was 6 staff (2023: 6 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

13 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

14 Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The employer's pension costs represent contributions payable by the charity to the fund and amount to £5,106 (2023: £5,757). There was £1,162 outstanding as at 31 March 2024 (2023: £924)

15 Corporation 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 objectives.

16 Debtors and prepayments (receivable within 1 year)

	2024 £	2023 £
Other debtors	-	2,486
	<u>-</u>	<u>2,486</u>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

17 Cash at bank and in hand

	2024	2023
	£	£
Cash at bank	138,682	205,678
Cash in hand	(119)	(92)
	138,563	205,586

18 Creditors and accruals (payable within 1 year)

	2024	2023
	£	£
Trade creditors	-	5,647
Accruals		
Independent examination of accounts	1,176	-
Other accruals	1,162	5,092
Deferred income		
Hospital of God	-	250
Barbour	-	417
Prime	-	417
Greggs Trust	1,000	1,000
Suicide Prevention Fund	-	385
Rington Fund	-	2,083
Connected Voice	-	2,917
Newcastle Building Society	-	1,750
Big Lottery Fund	5,513	58,212
R W Mann	667	-
Edward Gosling	1,667	-
J Knott	2,500	-
National Lottery Fund	16,625	-
	30,310	78,170

19 Deferred income

Deferred income comprises of advance payments from grants that relate to future periods

	2024	2024
	£	£
Balance brought forward	67,431	-
Amount released to income earned from charitable activities	(67,431)	-
Amount deferred in year	27,972	67,431
Balance carried forward	27,972	67,431

20 Events after the end of the reporting period

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

21 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	23,651	59,578	(56,652)	30,660	57,237
Designated funds					
Governance	70,000	-	-	(50,000)	20,000
Research and Development	20,000	-	-	(10,000)	10,000
Totals	113,651	59,578	(56,652)	(29,340)	87,236

Purpose of unrestricted funds

General unrestricted fund	The 'free reserves' of the charity
Designated Funds:	
Governance	Funds to cover the Governance of the service.
Research and Development	Funds to support strategic development.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

21 Analysis of charitable funds (continued)

Analysis of movement in restricted funds

Restricted funds	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
National Lottery Fund	18,070	3,325	(3,365)	-	18,030
Enterprise Development Fund	4,425	-	(4,609)	184	-
Lloyds Bank Foundation	9	-	-	-	9
Other Funds	(6,252)	-	-	6,252	-
Newcastle Building Society	-	2,000	(2,032)	32	-
Ringtons Fund	-	2,083	(3,628)	1,545	-
Big Lottery Fund	-	52,699	(70,193)	17,494	-
Edward Gosling	-	8,333	(8,303)	-	30
J Knott	-	2,500	(2,980)	480	-
Karbon Homes	-	720	(1,023)	303	-
Daisy Marr	-	2,250	(2,099)	-	151
R W Mann	-	333	(333)	-	-
Joicey Trust	-	1,333	(1,333)	-	-
Barbour Foundation	-	7,417	(7,417)	-	-
Joseph Brough	-	2,917	(2,917)	-	-
Connected Voice	-	2,917	(5,753)	2,836	-
NCIF	-	20,000	(18,394)	-	1,606
Catherine Cookson	-	333	(547)	214	-
Greggs Foundation	-	12,000	(10,999)	-	1,001
Newcastle Fund	-	1,875	(1,685)	-	190
Prime	-	417	(417)	-	-
Suicide Prevention Fund	-	385	(385)	-	-
Hospital of God	-	250	(250)	-	-
Totals	16,252	124,087	(148,662)	29,340	21,017

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

National Lottery Fund	Sessional costs.
Enterprise Development Fund	Salary and related project costs.
Lloyds Bank Foundation	Sessional costs.
Other Funds	Sessional costs.
Newcastle Building Society	Salary costs.
Ringtons Fund	Ceramics. sessional fees and materials etc.
Big Lottery Fund	Reaching Communities Funding.
Edward Gosling	Sessional costs.
J Knott	TE fees and sessional
Karbon Homes	TE fees and sessional
Daisy Marr	Sessional and promotion.
R W Mann	Sessional costs.
Joicey Trust	TE fees.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

Purpose of restricted funds (continued)

Barbour Foundation	Support for Creative operations.
Joseph Brough	Admin worker.
Connected Voice	Cost of living.
NCIF	Management costs.
Catherine Cookson	Materials and sessional costs.
Greggs Foundation	Manager and Arts Worker salaries.
Newcastle Fund	Photography.
Prime	Inclusion and support worker costs.
Suicide Prevention Fund	Inclusion and support worker costs.
Hospital of God	Sessional costs.

Transfers between funds

	Reason for transfer	Amount £
Between unrestricted and restricted funds	To cover overspends on restricted funds.	29,340
Between unrestricted and designated funds	To cover costs related to designated funds.	60,000

22 Capital commitments

As at 31 March 2024, the charity had no capital commitments (2023 -£nil)

23 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Cash at bank and in hand	117,546	21,017	138,563	205,586
Other net current assets/(liabilities)	(30,310)	-	(30,310)	(75,684)
	<u>87,236</u>	<u>21,017</u>	<u>108,253</u>	<u>129,902</u>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

England & Wales - Charity number 1116957

Accounts

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 2023

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 2023

Trustees

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

Alisdair Cameron
Douglas Hunter
Nikki Gibbard
John Banks
Rachael Doyle-Hall
Nelli Stavropoulou (Resigned 11 July 2022)
Dr Victoria Armstrong (Resigned 11 July 2022)
Toby Brandon
Angela Main (Appointed 12 January 2023)
Thomas Lonsdale (Appointed 23 January 2023)

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

(trading as Chilli Studios)

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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 2023.

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. In this report it will be referred to by its trading name, '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 2023 consists of eight 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 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.

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

Overview of delivery data

To show the breadth of our work for this financial year, we have included monitoring information from some of the activities detailed:

- Over the year, we have had 92 new referrals with 268 individual members in attendance.
- We provided: 1327 studio sessions to a total attendance of 18644
- Total audience (excluding social media reach) was: 52084
- We currently have 19 volunteers; over the year volunteers provided 2737 hours of input. The volunteer passport scheme partnership with the Volunteer Centre has dramatically supported our organisation in developing volunteer training opportunities and support. We have supported four volunteers to reach a range of training through this resource. Staff training also includes in-depth fire & safety training and welfare support in the power threat meaning frameworks.

- We held 73 events and, with support, delivered 83 publications & productions. Promoting our charitable activity has included numerous stalls, drop-in workshops, and conducted four lectures, including at Greggs, RECOCO, Newcastle County Council and Vita health events.
- We had 16 Exhibitions & screenings with our Annual show @ Vane 22nd Sept-1st Oct. This preview attracted 200 + attendees.
- We delivered 527 Training and empowering sessions to members and volunteers.
- Our creative outreach sessions included: Pottery in the Park, Partnership with Urban Green Newcastle and Newcastle Hospital Charity. These sessions with patience, family, and care staff, as well as the general public, were aimed at well-being through creativity and nature. As part of that partnership, we were commissioned to hold a Raku and ceramic glazing workshop at the community festival, Buzzfest, in February at Exhibition Park. Other Outreach includes a commission by Your Homes Newcastle and Newcastle Council Arts Development to run an artist in residency at Stapleford Centre, which provides supported housing for people with learning disabilities or autism.
- Our peer-based work has really taken off with 527 attendances in training and empowering sessions for members and volunteers. Finally, since the success of the Community darkroom kickstarter, we have held 11 peer group sessions in developing the dark room resources and management. "A safe place to develop".
- Because understanding how we support our members and how we can improve our work is critical, over the last six months, we completed a full-service evaluation by an independent consultant and two associate researchers who have personal experience with mental health issues.

Independent evaluation

Towards the end of the year, we employed an independent consultant and two researchers with lived experience to conduct a full-service evaluation. The final report clarifies how important creativity remains as the main driver for attendance. Whilst we hope to achieve mental health-based impacts, the glue that binds the organisation is a shared value of self-expression. Valuable social networks are nurtured through mutual interest, leading to meaningful and lasting friendships (connections) that support change. Indeed, the findings highlight how much positive change our members felt the studio provided, with beautiful descriptions of how that change occurred. Over the years, we have taken an approach focused on engagement, supportive participation, development and achievement. Assessing the report through these lenses, our members express that the engagement process is conducted in an inclusive, non-discriminatory fashion that attempts to be bespoke to the individual's needs. A learning point for improvement is our need to promote this further within our networks, particularly in our referral paperwork and process. Members describe the support we provide as responsive, authentic, intrinsic and empathetic, with members feeling respected equally and treated like grown-ups, setting their own goals and directions around well-being (support). Our evolving peer programme fits ideally with our development phase. We are supporting our members to gain a sense of purpose, responsibility, motivation, and progression onto opportunities like education and employment. As highlighted in the report's overview, utilising lived experience through co-production has enormous value, with already-established peers and paid therapeutic enablers providing tangible value to the service and the wider membership. What also comes across strongly in the report is that we offer an empowering self-determined sense of

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

achievement. Interestingly the report highlights how every member's expectations and subsequent journey towards positive change is unique and cannot be prescribed.

As we have data available from our recent externally conducted evaluation, I have included some of the key findings

In the survey we asked 'How much positive change have you felt to your mental / emotional wellbeing through joining Chilli Studios?' Members were asked to place from 0 to 20 marbles into a pot to express a relative amount of change. The results were very impressive.

Answering this question 100% said that they had experienced an improvement, with half of those who responded returned the maximum score for change

This is particularly interesting given that on the first survey question members did not tend to rank change as the main driver for their initial attendance. The interviews and focus groups confirmed this finding. There really is no hype about change at Chilli Studios, quite the opposite. Staff and volunteers are careful not to describe Chilli as a place people come to 'get better'. Indeed, we even found resistance to use of the term 'recovery', despite its popularity in many mental health contexts.

The survey followed up the question about the extent of change experienced with a question asking about the possible contributing factors.

- 50% felt both contributed equally to the change.
- 34% felt creativity made the greater contribution.
- 16% felt community made the greater contribution.

It is apparent that the positive benefits members experience through their involvement with the studios vary greatly and are not limited to improving mental wellbeing. The interviews and focus groups revealed what change looks like for different people. Responses tended to cluster around 10 key areas that may be considered as 'outcomes':

1. Learning about their mental health and how to manage it.
2. Having people to talk to and opening up about challenges.
3. Gaining a sense of purpose and personal motivation.
4. Becoming more positive and overcoming negative patterns of thinking.
5. Gaining a new network of friends and feeling supported.
6. Progression into further educational and vocational opportunities.
7. Discovering new ways to express themselves.
8. Reduction in levels of anxiety.
9. Growing in confidence, especially in social contexts.
10. Development of new skills.

Some lovely language was used to describe what the change process looks like, or feels like:

- Like a flower opening – something natural and good is happening in response to 'light'.
- Like a dimmer switch rather than a light switch – it happens slowly not suddenly.
- Like osmosis – a gradual process of absorbing what is needed from the environment. This was linked to the idea of members learning about managing mental health from one another.

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We asked people to tell us whether they thought there might be some kind of 'secret ingredient' that might be in some way catalysing or contributing to the change being experienced. As might be expected, whilst responses varied a number of important insights were revealed. Different combinations appear to be active for different people at different times. These were:

- Empathy & Encouragement
- Kindness & Compassion
- Empowerment & Creative agency
- Safety & Support
- Openness & Expression
- Acceptance & Inclusion
- Routine & Consistency

Staffing

In 2022 an external review of our staffing structure was completed, as part of a long-term strategy for sustainability and growth. The findings supported the development of four distinct leadership roles, which has flattened the original pyramid managerial structure, and enabled staff members to progress in areas best matched to their knowledge and experience through a skills audit. Staff wages and terms of employment were assessed and were appropriate increased to support increased responsibilities

Our core staff team are (new titles followed the restructure in November 2022);

- Development and Strategy Lead (previously the Studio Manager), is now focused on income generation and long-term strategy. Though still formally fulfilling the CEO role, they are now less burdened with day-to-day management within the studio and often work remotely to increase productivity. Their hours have decreased which supports increases in salary elsewhere.
- Business Relationship Lead (previously The Charity Officer) has greater authority and supports the CEO with management of day-to-day concerns.
- Creative Operation Lead (previously The Arts Coordinator) is in charge of all creative aspects and manages the freelance artists
- Inclusion and Progression Lead (previously The Support and Inclusion Coordinator) will now focus on peer development programme in line with key evaluation findings.

FINANCIAL REVIEW

Our active supporters over the year where: The National Lottery Fund's Reaching Communities and The Jubilee fund, Newcastle Culture Investment Fund, Henry Smith Charitable trust, The Barbour Foundation, The Hospital of God, Lloyds Bank Foundation, Ringtons, Reeds Grassroot fund, Connected Voice, Prime fund, D'Oyly Carte Charitable Trust, Greggs Foundation, Enterprise Development Fund, Suicide Prevention Fund and the recently secured Newcastle Building Society, Joseph Brough Charitable Trust, The Joicey Trust and Garfield Weston Foundation grants.

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Currently, numerous core and project-based funds are reaching the end of their offer. Our primary funder for running costs remains The National Lottery Reaching Communities fund, which runs until Oct 2023.

Commercial activities

Chilli Studios has continued to invest time and funds into developing new sources of income to support long term sustainability. Over this financial year this has been advanced through the work of our Research, Marketing and Sales Assistant who has, with the support of the team, developed our product range, promotional activity and sales online and in physical locations. All income generated is then allocated into our 'Chilli Direct' funds. 'Chilli Direct' reflects all our income from sales, fees and donations.

Over the last few years, we have managed to reallocated some of our Chilli Direct revenue back into our free reserves. We now have around 40% of running costs as security for managing the challenging period ahead.

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.

In addition, we have identified the need to allocate funds towards the research and development work in connection with our commercial activities. Therefore, part of our Unrestricted Reserves have been Designated as R&D funds.

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;

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

- 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

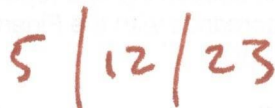
By order of the Board



Alisdair Cameron

Trustee

Approved by the Board on



**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 2023 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

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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: 12 December 2023

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds	Restricted funds	31 March 2023 Total	31 March 2022 Total
		£	£	£	£
INCOME FROM:					
Donations and legacies	2	6,580	-	6,580	3,091
Charitable activities	3	15,533	224,260	239,793	207,700
Other income		3,896	1	3,897	-
Other trading activities	4	<u>3,824</u>	<u>-</u>	<u>3,824</u>	<u>4,620</u>
Total income		<u>29,833</u>	<u>224,261</u>	<u>254,094</u>	<u>215,411</u>
EXPENDITURE ON:					
Charitable activities	5	<u>20,462</u>	<u>227,967</u>	<u>248,429</u>	<u>192,623</u>
Total expenditure		<u>20,462</u>	<u>227,967</u>	<u>248,429</u>	<u>192,623</u>
Net income/(expenditure)	6	9,371	(3,706)	5,665	22,788
Transfers Between Funds		-	-	-	-
Total funds brought forward		<u>104,279</u>	<u>19,958</u>	<u>124,237</u>	<u>101,449</u>
Total funds carried forward	11	<u>113,650</u>	<u>16,252</u>	<u>129,902</u>	<u>124,237</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 18 form part of these financial statements.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

Company Registration Number 05028177

(trading as Chilli Studios)

BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Current assets			
Debtors	8	2,486	2,445
Cash at bank and in hand		<u>205,586</u>	<u>194,154</u>
		208,072	196,599
Creditors: amounts falling due within one year	9	<u>(78,170)</u>	<u>(72,362)</u>
Net assets	12	129,902	124,237
The funds of the charity			
Restricted funds	11	16,251	19,958
Unrestricted funds	11	<u>113,651</u>	<u>104,279</u>
Total charity funds		<u>129,902</u>	<u>124,237</u>

For the year ended 31 March 2023 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:

A. S. Cameron 5/12/23

Alisdair Cameron
Trustee

The notes on pages 12 to 18 form part of these financial statements. These unaudited financial statements have been subject to independent examination. See report on page 9.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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

FOR THE YEAR ENDED 31 MARCH 2023

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.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 2023 £	31 March 2022 £
Donations	<u>6,580</u>	<u>-</u>	<u>3,091</u>	<u>3,091</u>

3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	31 March 2023 £	31 March 2022 £
Grants	-	224,260	224,260	199,638
Members contributions	<u>15,533</u>	<u>-</u>	<u>15,533</u>	<u>8,061</u>
	<u>15,533</u>	<u>224,260</u>	<u>239,793</u>	<u>207,699</u>

Other income

	Unrestricted funds £	Restricted funds £	31 March 2023 £	31 March 2022 £
Other income	<u>3,896</u>	<u>1</u>	<u>3,897</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

4. Income from other trading activities

	Unrestricted funds £	Restricted funds £	31 March 2023 £	31 March 2022 £
Sales of goods	3,824	-	3,824	4,620

5. Expenditure on charitable activities

	Direct costs £	Support costs £	31 March 2023 £	31 March 2022 £
Funding for the promotion of art and artistic and creative activities	137,365	104,165	241,530	188,018
Governance costs	-	6,899	6,899	4,605
	137,365	111,064	248,429	192,623

Expenditure on charitable activities was £248,429 (2022: £192,623) of which £20,462 (2022: £908) was unrestricted and £227,967 (2022: £191,715) was restricted.

Support costs are made up of:

	31 March 2023 £	31 March 2022 £
Support staff costs	47,986	48,816
Rent	30,962	19,866
Repairs and maintenance	1,104	460
Legal and professional fees	11,550	-
Promotion and marketing	920	319
Insurance	767	849
Other support costs	10,876	5,058
Governance costs	6,899	4,605
	111,064	79,973

Governance costs are made up as follows:

	31 March 2023 £	31 March 2022 £
Accountancy services	5,686	3,452
Independent examination	1,200	1,140
Companies House filing fees	13	13
	6,899	4,605

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

6. Net outgoing resources

	31 March 2023 £	31 March 2022 £
The net outgoing resources for the year is stated after charging:		
Clarke's fees:		
Independent examination	1,200	1,140
	<u> </u>	<u> </u>

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

Staff costs

	31 March 2023 £	31 March 2022 £
Wages and salaries	113,382	103,864
Social security costs	4,283	4,183
Other pension costs	<u>5,757</u>	<u>4,294</u>
	<u>123,422</u>	<u>112,341</u>

Particulars of employees

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

	31 March 2023 £	31 March 2022 £
Management and administration staff	<u>6</u>	<u>6</u>

No employees earned in excess of £60,000 during the year (2022: nil).

No expenses were reimbursed to the trustees during the year (2022: 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 £29,138 (2022: £32,762).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

8. Debtors					
			31 March 2023	31 March 2022	
			£	£	
Prepayments and accrued income			<u>2,486</u>	<u>2,445</u>	
			2,486	2,489	
			<u> </u>	<u> </u>	
9. Creditors: amounts falling due within one year					
			31 March 2023	31 March 2022	
			£	£	
Trade creditors			5,647	4,096	
Accruals and deferred income			<u>72,523</u>	<u>68,266</u>	
			78,170	72,362	
			<u> </u>	<u> </u>	
10. Deferred income					
			31 March 2023	31 March 2022	
			£	£	
Deferred income at 1 April 2022			65,416	65,321	
Released from previous years			(65,416)	(65,321)	
Amounts deferred in the year			<u>67,431</u>	<u>65,416</u>	
Deferred income at 31 March 2023			67,431	65,416	
			<u> </u>	<u> </u>	
11. Analysis of charitable funds					
	As at 1 April 2022	Income	Expenditure	Transfers	As at 31 March 2023
	£	£	£	£	£
Restricted funds					
National Lottery Fund	17,157	94,475	(93,563)	-	18,069
Newcastle Cultural Investment Fund	(1,297)	21,767	(20,470)	-	-
Enterprise Development Fund	-	13,501	(9,076)	-	4,425
Lloyds Bank Foundation	-	1,721	(1,712)	-	9
Others	<u>4,098</u>	<u>92,796</u>	<u>(103,146)</u>	-	<u>(6,252)</u>
	19,958	224,260	(227,967)	-	16,251
Unrestricted funds					
Designated - Governance	-	-	-	70,000	70,000
Designated - R&D	-	-	-	20,000	20,000
General	<u>104,279</u>	<u>29,833</u>	<u>(20,461)</u>	<u>(90,000)</u>	<u>23,651</u>
Total funds	<u>124,237</u>	<u>254,093</u>	<u>(248,428)</u>	-	<u>129,902</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

11. Analysis of charitable funds (continued)

Chilli Studios would like to extend a big thank you to all our supporters over the year. These include: The National Lottery Fund's Reaching Communities and The Jubilee fund, Newcastle Culture Investment Fund, Henry Smith Charitable trust, The Barbour Foundation, The Hospital of God, Lloyds Bank Foundation, Ringtons' fund, Reeds Grassroot fund, Connected Voice, Prime fund, D'Oyly Carte Charitable Trust, Greggs Foundation, Enterprise Development Fund, Suicide Prevention Fund, Newcastle Building Society, Joseph Brough Charitable Trust, The Joicey Trust and Garfield Weston Foundation grants.

Unrestricted funds

The trustees have identified the need to hold sufficient contingency funds to meet its liabilities in the event of a winding up. At 31 March 2023 these were estimated at £70,000.

12. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Current assets	6,537	201,535	208,072	196,599
Current liabilities	<u>(5,647)</u>	<u>(72,523)</u>	<u>(78,170)</u>	<u>(72,362)</u>
	890	129,012	129,902	124,237
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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 £5,757 (2022: £4,294). 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 21 volunteers being engaged in the service.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

England & Wales - Charity number 1116957

Accounts

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 2022

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 2022

Trustees

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

Alisdair Cameron
Douglas Hunter
Nikki Gibbard
John Banks
Rachael Doyle-Hall
Nelly Stavropoulou (Resigned 11 July 2022)
Dr Victoria Armstrong (Resigned 11 July 2022)
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

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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 2022 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

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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 remained a significant challenge throughout the year, and its impact continues to be evident on; our members, volunteers and staff's wellbeing, as well as altering the organisation's long term strategic direction.

As a service that responds with support, encouragement, and the promotion of hope, achieving our goals during this period has been an enormous challenge. Factors such as isolation, grief and fear have undoubtedly increased depression and anxiety disorders.

Dealing with the increased need whilst protecting and supporting staff and volunteers has been vitally important.

Over the last year, we have continued to develop various critical working partnerships; some of these include:

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TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

North East Wilds - for our allotment project, forest school sessions and Raku kiln firing
Recovery College (ReCoCo) - For our satellite workshops in Knit and Natter and sewing group, as well as setting up a new photography darkroom.
Wakefield Mental Health Museum - related to developing the heads and tales project
Newcastle Arts development team - linking in with various workshops.
Star and Shadow, Northern Print and Vane gallery - regular exhibition venues
The Magic Hat Cafe - linked to our suicide awareness/prevention project
Towards the end of the year, we started a new partnership with CNTW Mental Health Trust for the provision of ward access to online mental health provision

As our members' wellbeing has (like most of society's) been significantly affected by both personal and global crises, we have found recording the direct impact our service has had on wellbeing particularly tricky.

Below are just a few quotes from last year regarding the importance of the service to its members:

"I do make functional pieces, but love to make pieces that tell a story, often my story. Chilli Studios has changed my life for the better and I am grateful to them."

"Chilli makes you branch out and push your potential more than I ever would, it builds my confidence and everything up. Every bit of work people do in here is art. I also like to advise newcomers in the art room and like to help them if they need it- because that's how the art room works, we all help each other!"

"I was in a pretty dark place when I joined the studio, but my mental health is improving all the time, and the good people I have met at Chilli have played such a massive part in my recovery. I experience the odd dip in my mood from time to time, but when I do, I know that there is always going to be someone available to just have a talk with, and this has been a great help"

"Chilli Studios has been a real lifeline for me, and I'm sure it has been the same for countless others, as well. All the staff, the volunteers and the other members I have met have made me feel at home amongst their community. My confidence has improved no end, I have made some good friends, and I find myself in a much better place than I was before I joined the studios."

"The sessions I attend allow me to express myself creatively, and I enjoy them a great deal, but if I am honest, the activities are secondary to the benefits to my wellbeing that I get from being around people who I feel accept me for who I am, and who provide constant support, encouragement, inspiration and above all, friendship!"

Staffing

The core staff team and their terms of employment remained the same, and the only change was the recruitment of our Kickstart apprentice, detailed below.

Commercial activities

Unfortunately, our plan to recruit a Start-Up Manager was unsuccessful, with unsuitable applicants to the advertised job. Therefore, we investigated the option of the government Kickstart programme and identified a suitable apprentice. This person started in Oct 2021 and finished the government-funded apprenticeship towards the end of this reporting year. They showed all the skills and dedication required to make a future successful employee. At the end of the reporting

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TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

period, we offered them a permanent contract as our new Research, Marketing and Sales Assistant.

Overview of delivery data

From April 2021 till March 2022 we have provided for 222 individual members:

- 1205 workshop sessions with total attendance of 7311
- 223 online sessions with total attendance of 1522
- 100 peer led sessions with total attendance of 805
- 53 events and productions with total attendance of 911
- 20 cultural trips and outdoor activities with total attendance of 119
- 18 training sessions with total attendance of 258
- 262 crisis support sessions with total attendance of 288

FINANCIAL REVIEW

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

The figures show a relatively balanced income versus expenditure over the year with some restricted funds being carried over to the following year.

Reserves

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

The trustees have considered the need for reserves to be maintained by the charity. The Charity does not have recurring obligations, other than the need to govern itself. The trustees have concluded therefore that sufficient reserves should be maintained so that all liabilities would be met in the unlikely event that Chilli Studios were dissolved (see note 11).

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).

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY PROVISIONS

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

INDEPENDENT EXAMINER

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

By order of the Board



Alisdair Cameron

Trustee

Approved by the Board on 24th October 2022

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

**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 2022 which are set out on pages 8 to 17.

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:

P M Clarke

Pamela M Clarke

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

Date: *13 December 2022*

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds	Restricted funds	31 March 2022 Total	31 March 2021 Total
		£	£	£	£
INCOME FROM:					
Donations and legacies	2	3,091	-	3,091	1,105
Charitable activities	3	8,061	199,639	207,700	245,466
Other income		-	-	-	4,464
Other trading activities	4	<u>4,620</u>	<u>-</u>	<u>4,620</u>	<u>6,455</u>
Total income		<u>15,772</u>	<u>199,639</u>	<u>215,411</u>	<u>257,490</u>
EXPENDITURE ON:					
Charitable activities	5	<u>908</u>	<u>191,715</u>	<u>192,623</u>	<u>241,395</u>
Total expenditure		<u>908</u>	<u>191,715</u>	<u>192,623</u>	<u>241,395</u>
Net income/(expenditure)	6	14,864	7,924	22,788	16,095
Transfers Between Funds		(260)	260	-	-
Total funds brought forward		<u>89,675</u>	<u>11,774</u>	<u>101,449</u>	<u>85,354</u>
Total funds carried forward	11	<u>104,279</u>	<u>19,958</u>	<u>124,237</u>	<u>101,449</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 10 to 17 form part of these financial statements.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

Company Registration Number 05028177

(trading as Chilli Studios)

BALANCE SHEET**AS AT 31 MARCH 2022**

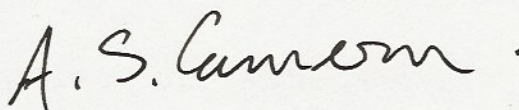
	Notes	2022 £	2021 £
Current assets			
Debtors	8	2,445	2,489
Cash at bank and in hand		<u>194,154</u>	<u>169,273</u>
		196,599	171,762
Creditors: amounts falling due within one year	9	<u>(72,362)</u>	<u>(70,313)</u>
Net assets	12	<u>124,237</u>	<u>101,449</u>
The funds of the charity			
Restricted funds	11	19,958	11,774
Unrestricted funds	11	<u>104,279</u>	<u>89,675</u>
Total charity funds		<u>124,237</u>	<u>101,449</u>

For the year ended 31 March 2022 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 24th October 2022 and are signed on their behalf by:

Alisdair Cameron
Trustee



The notes on pages 10 to 17 form part of these financial statements. These unaudited financial statements have been subject to independent examination. See report on page 7.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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.

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.

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 2022 £	31 March 2021 £
Donations	<u>3,091</u>	<u>-</u>	<u>3,091</u>	<u>1,105</u>

3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	31 March 2022 £	31 March 2021 £
Grants	-	199,638	199,638	241,379
Members contributions	<u>8,061</u>	<u>-</u>	<u>8,061</u>	<u>4,087</u>
	<u>8,061</u>	<u>199,638</u>	<u>207,699</u>	<u>245,466</u>

4. Income from other trading activities

	Unrestricted funds £	Restricted funds £	31 March 2022 £	31 March 2021 £
Sales of goods	<u>4,620</u>	<u>-</u>	<u>4,620</u>	<u>6,455</u>

5. Expenditure on charitable activities

	Direct costs £	Support costs £	31 March 2022 £	31 March 2021 £
Funding for the promotion of art and artistic and creative activities	112,650	75,368	188,018	238,322
Governance costs	<u>-</u>	<u>4,605</u>	<u>4,605</u>	<u>3,073</u>

The notes on pages 10 to 17 form part of these financial statements.

112,650	79,973	192,623	241,395
<u>112,650</u>	<u>79,973</u>	<u>192,623</u>	<u>241,395</u>

Expenditure on charitable activities was £192,623 (2021: £241,395) of which £908 (2021: £13,844) was unrestricted and £191,715 (2021: £227,551) was restricted.

Support costs are made up of:

	31 March 2022 £	31 March 2021 £
Support staff costs	48,816	48,915
Rent	19,866	17,714
Repairs and maintenance	460	1,109
Legal and professional fees	-	33,049
Promotion and marketing	319	327
Insurance	849	748
Other support costs	5,058	1,359
Governance costs	<u>4,605</u>	<u>3,073</u>
	79,973	106,294
	<u>79,973</u>	<u>106,294</u>

Governance costs are made up as follows:

	31 March 2022 £	31 March 2021 £
Accountancy services	3,452	1,920
Independent examination	1,140	1,140
Companies House filing fees	<u>13</u>	<u>13</u>
	4,605	3,073
	<u>4,605</u>	<u>3,073</u>

6. Net outgoing resources

	31 March 2022 £	31 March 2021 £
--	-----------------------	-----------------------

The net outgoing resources for the year is stated after charging:

Clarke's fees:		
Independent examination	1,140	1,140
	<u>1,140</u>	<u>1,140</u>

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

Staff costs

	31 March 2022 £	31 March 2021 £
--	-----------------------	-----------------------

The notes on pages 10 to 17 form part of these financial statements.

Wages and salaries	103,864	108,431
Social security costs	4,183	4,559
Other pension costs	<u>4,294</u>	<u>4,235</u>
	112,341	117,225
	<u>112,341</u>	<u>117,225</u>

Particulars of employees

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

	31 March 2022 £	31 March 2021 £
Management and administration staff	<u>6</u>	<u>6</u>

No employees earned in excess of £60,000 during the year (2021: nil).

No expenses were reimbursed to the trustees during the year (2021: £nil).

Key management personnel

The key management personnel of the charity is listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £32,762 (2021: £31,202).

8. Debtors

	31 March 2022 £	31 March 2021 £
Prepayments and accrued income	<u>2,445</u>	<u>2,489</u>
	2,445	2,489
	<u>2,445</u>	<u>2,489</u>

9. Creditors: amounts falling due within one year

	31 March 2022 £	31 March 2021 £
Trade creditors	4,096	2,142
Accruals and deferred income	<u>68,266</u>	<u>68,171</u>
	72,362	70,313
	<u>72,362</u>	<u>70,313</u>

10. Deferred income

	31 March 2022 £	31 March 2021 £
	£	£

The notes on pages 10 to 17 form part of these financial statements.

Deferred income at 1 April 2021	65,321	68,640
Released from previous years	(65,321)	(68,640)
Amounts deferred in the year	<u>65,416</u>	<u>65,321</u>
Deferred income at 31 March 2022	<u>65,416</u>	<u>65,321</u>

The notes on pages 10 to 17 form part of these financial statements.

11. Analysis of charitable funds

	As at 1 April 2021 £	Income £	Expenditure £	Transfers £	As at 31 March 2022 £
Restricted funds					
Big Lottery Fund	6,133	61,517	(50,493)	-	17,157
Newcastle Cultural Investment Fund	370	19,433	(21,100)	-	(1,297)
Newcastle Fund	(260)	-	(-)	260	-
Lloyds Bank Foundation	(1,580)	22,479	(20,899)	-	-
Heritage Lottery Fund COVID	(16)	4,167	(4,151)	-	-
Henry Smith Match Challenge	(1,259)	28,599	(27,340)	-	-
Tudor Trust	1,630	-	(1,630)	-	-
Others	<u>6,756</u>	<u>63,444</u>	<u>(66,102)</u>	<u>-</u>	<u>4,098</u>
	11,774	199,639	(191,715)	260	19,958
Unrestricted funds					
General	<u>89,675</u>	<u>15,772</u>	<u>(908)</u>	<u>(260)</u>	<u>104,279</u>
Total funds	<u>101,449</u>	<u>215,411</u>	<u>(192,623)</u>	<u>-</u>	<u>124,237</u>

Our thanks to the Big Lottery Fund, the Baring Foundation, 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, Garfield Weston, Building Communities, Awards 4 All, BUPA, Greggs Foundation, the Linden Family Fund, Connected Voice, the Rington Fund, the Suicide Prevention Fund and the P&G Fund for their kind donations.

Unrestricted funds

The trustees have identified the need to hold sufficient contingency funds to meet its liabilities in the event of a winding up. At 31 March 2022 these were estimated at £70,000.

12. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Current assets	6,496	190,103	196,599	171,762
Current liabilities	<u>(4,096)</u>	<u>(68,266)</u>	<u>(72,362)</u>	<u>(70,313)</u>
	<u>2,400</u>	<u>121,837</u>	<u>124,237</u>	<u>101,449</u>

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 £4,294 (2021: £4,235). 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 21 volunteers being engaged in the service.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

England & Wales - Charity number 1116957

Accounts

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

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

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

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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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FOR THE YEAR ENDED 31 MARCH 2021

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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FOR THE YEAR ENDED 31 MARCH 2021

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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TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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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TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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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FOR THE YEAR ENDED 31 MARCH 2021

- 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

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

**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

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

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.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

Company Registration Number 05028177

(trading as Chilli Studios)

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.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

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.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

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.

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

(trading as Chilli Studios)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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	1,140	1,080
	<u> </u>	<u> </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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NOTES TO THE FINANCIAL STATEMENTS

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>
	2,489	2,416
	<u> </u>	<u> </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>
	70,313	75,155
	<u> </u>	<u> </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>

CHILLI STUDIOS (NEWCASTLE AND GATESHEAD ARTS STUDIO) LIMITED

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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

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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 .