

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.

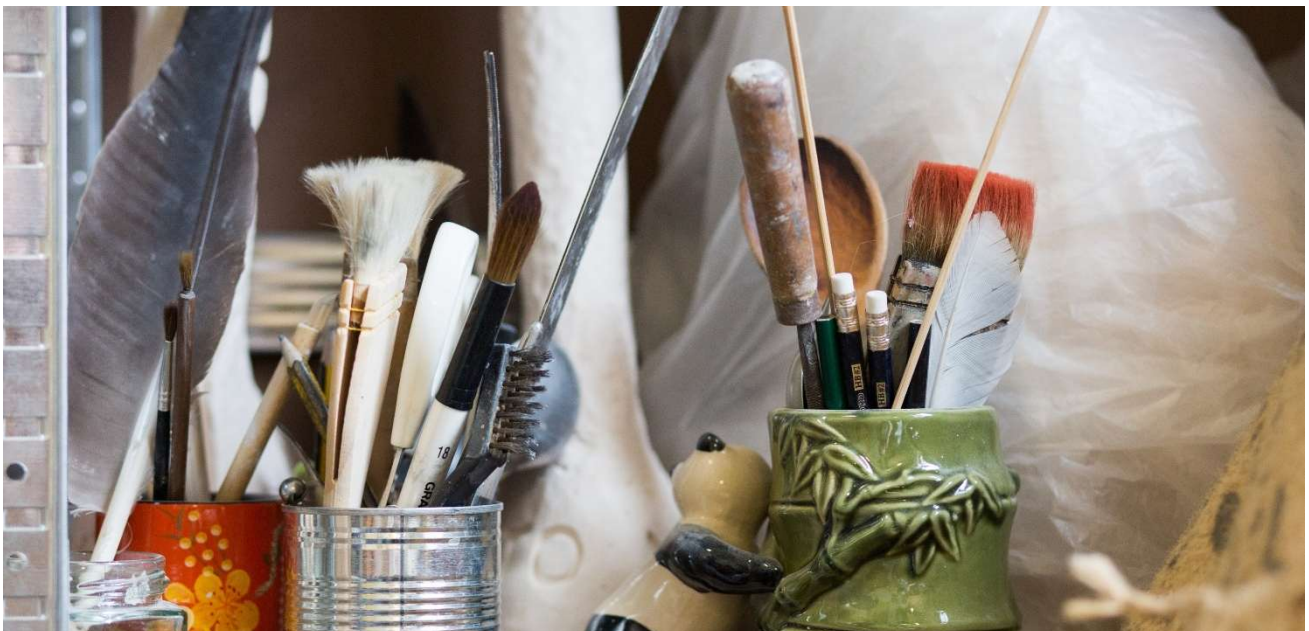
The financial statements comply with the Charities Act 2022, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 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.

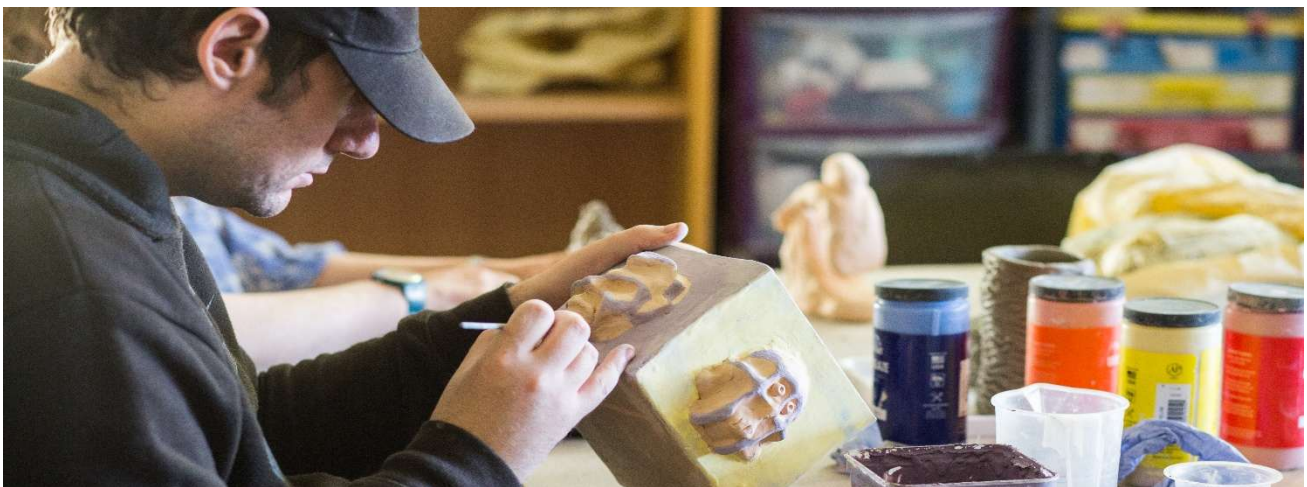
Early in the year, we faced significant financial pressures following the end of a number of long-term funding streams. This led to a necessary organisational restructure, including two staff redundancies

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**

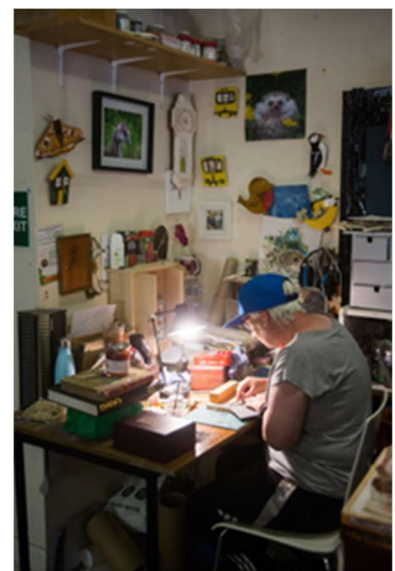
2. Achievements and Performance

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

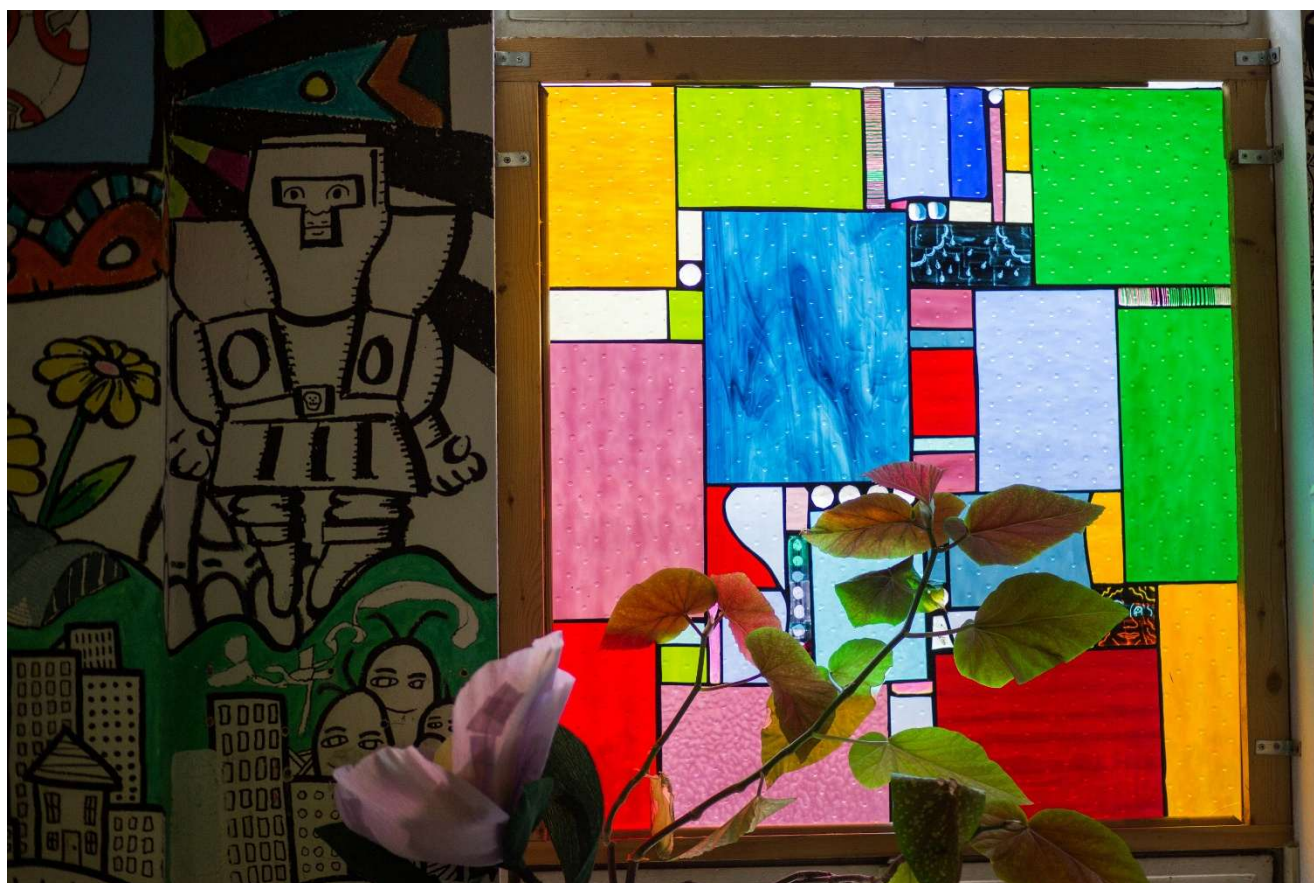
identified have been adequately mitigated. It is recognised that this approach can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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)

A handwritten signature in black ink that reads "A. S. Cameron". The signature is written in a cursive, flowing style.

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 other matters in connection with the examination which attention should be drawn to in the 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 £
<u>Income from:</u>					
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
<u>Expenditure on:</u>					
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)
<u>Reconciliation of funds</u>					
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	
Total current assets		118,139		138,563	
Creditors: amounts falling due within one year					
	18	(3,228)		(30,310)	
Net current assets			114,911		108,253
Total net assets or liabilities			114,911		108,253
<u>Funds of the charity</u>					
Unrestricted income funds			75,178		87,236
Restricted income funds			39,733		21,017
Total funds			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

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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

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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

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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>

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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>

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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)
	<u>116,860</u>	<u>138,563</u>

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
	<u>3,228</u>	<u>30,310</u>

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	<u>-</u>	<u>27,972</u>

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.

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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.

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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

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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>