

# Trustees' Report and Financial Statements for the year ended March 31 2019 for Northern Shape Ltd (trading as Equal Arts)



Registered Charity No: 517352

Company No: 01992359 (England and Wales)

Registered office: Newcastle City Library, 33 New Bridge Street West,  
Newcastle, Tyne and Wear, NE1 8AX

[www.equalarts.org.uk](http://www.equalarts.org.uk)

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## Report of the trustees

The trustees, who are also directors for the purpose of company law, have pleasure in presenting their report and the financial statements of the charitable company for the year ended March 31, 2019.

The financial statements comply with the Charities Act 2011, 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 to the UK and Republic of Ireland (FRS 102).

## Vision and activities

Equal Arts exists to:

- Provide older people with creative opportunities to improve wellbeing and help reduce loneliness
- Champion creative ageing and its benefits to improve the quality of care provided to older people
- Create lasting change, developing community, age-friendly relationships and encouraging social inclusion
- Challenge negative attitudes towards ageing and dementia.

## Our mission statement

We will:

- Deliver and support the delivery of high-quality creative activities with older people living in care and independently
- Provide creative and latest training for cultural venues, care staff, health staff and artists on the benefits of creativity for those living with dementia and how it can support conversations
- Support community venues, groups and schools to engage with older people through creativity, strengthening communities through meaningful relationships
- Support families to be actively involved in helping care settings offer a sense of place by providing new roles and opportunities for engagement.



**“The impact of HenPower here has been massive. The hens bring so much joy and engage the residents in ways we didn’t think possible.**

**“They’re a real focal point and have given people a reason to get out into the garden. People are planting and watering and watching the hens every day.” *Tracy Wilson, activities coordinator at a Hill Care venue***

## Highlights from 2018 - 2019

### The first public performance of our Gateshead Care Home Choir

This Spring saw the first performance of the charity's newly formed choir at music centre Sage Gateshead. This unique choir was funded by Learning & Skills North East to jointly support care staff and resident wellbeing. Formed by 12 care settings with 75 members, the choir rehearses regularly at each setting with professional musicians. The choir compose new songs and revisit popular favourites, boosting the confidence of care staff singing alongside residents. This ongoing project successfully brought staff and residents together, providing creative opportunities and showcasing people's achievements to the public in Newcastle and Gateshead.

### Dementia and Imagination training

This year saw us develop our training programme for culture venue staff, health staff and artists. It provided people with a greater understanding of the benefits creativity can bring to those living with dementia and their families. The training supported artist development allowing them to add to their own area of delivery and assisted cultural venues in widening their offer for people living with dementia and their families.

The charity continued it's work with Learning & Skills North East to train NHS staff and care professionals in Gateshead. Open to 36 care settings in the borough, it focused on providing hands-on experience of creative activities to better understand the benefits when working with residents and patients.



**“Being a part of the choir is inspiring. We rehearse with nearby care homes and are a little team.**

**“For staff, the choir has been a fantastic opportunity. It has brought a lot of light to**

**us. Working in a care setting can have its difficult times and being a part of the choir has made a big difference to us.”**

*Ann Laidler, activities coordinator at a Gateshead care setting*



Report of trustees' (continued)

## Involving friends and family in care

We've developed roles and opportunities to better support relatives with family members in care. Moving away from the traditional person-centred care we focus on relationship-centred care establishing a sustainable programme of creative activities. These activities are led by the interests and needs of group members. They bring the community into settings by linking with schools, and with residents making regular visits to local places of interest.

Highlights included St Mark's residents collaborating with schoolchildren and storytellers to create a script around Gateshead's famous Dodds Sisters. The resulting play was performed at Gateshead's The Little Theatre in front of family and friends.

In London, residents and staff of Parkfield attended the British Library for a national conference by the Campaign to End Loneliness. They spoke with delegates about the benefits of being members of the charity's HenPower Project and the difference it was making to their lives.

**“One of the main benefits of this has been the visible strengthening of relationships between the children and residents of St Mark's. All those involved have commented how much they enjoyed talking to each other and the residents sharing their life experiences and memories with the children.”** *Jackie Robinson, teaching assistant at Carr Hill*





## is heading to Cunningham House

Hear about our eggciting new Friends of Cunningham House group 'Cunningham Can Do' and get henvolved!

Join us on Monday, September 24, at Cunningham House, North Weald, between 6pm and 7pm and engage in some chicken chat.

Run by creative ageing charity, Equal Arts, HenPower works with older people to improve wellbeing, creatively engaging them in arts activities and equipping them with the skills and knowledge to become hen-keepers.



**"Keeping hens is canny. It makes you happy, and if you're happy you're healthy."**



Report of trustees' (continued)

## HenPower

This year we received nearly £250,000 over two years from Nesta to help us explore volunteering opportunities and ways to engage people aged 50+ in social action and create new roles in care settings.

We developed our HenPower Project making new connections in Sussex and Essex where new venues were keen to get onboard and join the flock. With the rollout came new associate and artist positions.



**“The children clearly love coming. Their faces light up and they communicate so naturally with the older people. It’s lovely to see the way the children and the older people interact. They build such strong relationships throughout these creative sessions and it’s so nice to volunteer and to be part of that journey.”** *Tesni Rippingham, a HenPower volunteer*

**“As soon as the creative clay session started the energy in the room lifted. I observed laughter, communication with each other. The opportunity to express and play with clay supported the dissolving of hierarchies, structure and roles. There was pride in the creations, a sense of togetherness. Joy in the playfulness, being in the moment, the touch and physical connection with the clay.”** *Dr Charlotte Allen, Consultant Psychiatrist, Memory Assessment and Management Service (MAMS)*

### Creative Dementia

Inspired by hearing of the charity's work at an arts and health conference, Northumberland, Tyne and Wear NHS Trust partnered with the charity to deliver a social prescribing initiative for those receiving a dementia diagnosis at the Memory Assessment and Management Service.

Regular training for clinicians provided the opportunity for them to develop their own creativity during practical sessions to help them understand the benefits. This knowledge supported their time with patients and allowed them to reflect on their work, increasing their wellbeing and resilience.

### Creative Age

12 venues delivered regular artist-led sessions as part of the charity's work to support cultural venues to widen their offer. Creative Age and its annual challenge event, developed for people living with dementia and their carers, took place throughout the year across the UK from An Talla Solais in Ullapool down to Chichester Festival Theatre.



Report of trustees' (continued)

## Cross-generational engagement for wellbeing

The charity's regular cross-generational sessions with older people and schoolchildren led to some fantastic community events this year. At Wood Green Sheltered Housing, residents worked with artists to turn their communal lounge and gardens into an exhibition space with textile banners hanging from washing lines and portraits and ceramics on display. In Brighton, participants took an active role in being a part of the town's Artists Open Houses initiative exhibiting their work to the public, with 400 attendees during the opening weekend.

## Advocacy

This year saw the publication of Creative Health, an in-depth report providing arts, health and care sectors with recommendations for good practice. The charity was proud to be the North East representative of the Arts, Health and Wellbeing Alliance which had a pivotal role in informing the report – developed by the All Party Parliamentary Group's two-year inquiry.

This led to the charity being named as North East Champion of the Culture, Health and Wellbeing Alliance. Funded by Arts Council England the alliance is tasked with developing national and international opportunities for networking and debate and showcasing excellent practice.



"The group is not a support group, it is a group of ordinary people brought together by dementia, given the opportunity to express ourselves through creativity and new experiences.

"An opportunity to be the people we are, husbands and wives together on an equal footing."

*Anne Walton, a participant of Equal Arts' Creative Age project*

## Summary of future plans

### We will:

- Expand cross-generational learning opportunities, bringing together older people, community groups and schools
- Develop the reach of our training model for cultural venue staff, care staff and artists to new audiences across the UK to increase individual skills sets and confidence, dementia awareness and wellbeing
- Strengthen our offer within corporate support and volunteering
- Strengthen our support for families with relatives living in care, providing them with opportunities to get involved and take an active role in meaningful activities
- Provide innovative partnerships across the North East while developing new programme nationally
- Explore opportunities to reimagine a creative hub providing older people's day provision in a co-housing community.

## Report of trustees' (continued)

### Financial Review

Income of £375,501 (2018 - £551,717) has been generated during the year, £266,524 (2018 - £386,660) relates to restricted funds. An operating deficit of £114,479 (2018 - £86,037 surplus) is shown on the Statement of Financial Activities. Within the overall result was a deficit on restricted funds of £83,495 (2018 – surplus of £127,743). The reduced income is largely due to £189,784 designated funds carried forward for the delivery of programme activities in 2018/19, alongside a fall in grant income due to a four-year National Lotteries Big Lottery Fund grant coming to an end and only being partially replaced.

### Reserves Policy and Risk Management

The trustees review the level of reserves at five Board of Trustee meetings a year and review policy and action required regarding reserve levels at year end, to build into the budget and project planning for the coming financial year.

Trustees review anticipated income and expenditure with regards to the on-going financial obligations of existing programme, administrative overheads and employed staff. Funds relating to specific projects that are to be expended in 2019/20 have been set aside by the trustees as Designated Funds.

The trustees consider that in order to safeguard the future of the charitable company or to be able to

settle any liabilities in the event of its closure, it is important to ensure that there are reserves available to the Charitable Company which equate to approximately three months running costs plus incremental wind-up costs, which the trustees estimate to be £98,993. At the end of the year free reserves amounted to £78,131.

The trustees' aim is securing the future of the charity, which includes creating a development fund allocating up to £80,000 to invest in income diversification projects contributing to organisational resilience will be set up in 2019/20.

### Risks

Area	Risk	Potential Impact	Mitigating steps	Impact	Likelihood	After action
Strategic direction	No recorded Business Plan	Lack of clear strategic direction	Create a new Business Plan & Financial Strategy	Med	Med	Low
Policies & Procedures	Requires updating	Lack of knowledge	Staff Handbook to be created with updated P&Ps	High	High	Low
Finance	Dependency on Grants	Loss of income impacts cash flow	Explore income diversification opportunities	High	Med	Med
External factors	Funders priorities change	Reduced funding for older people's programmes	Innovation and fresh thinking around core programmes	High	Med	Med

## Report of trustees' (continued)

### Our advisors

#### Examiners

Haines Watts, Floor 11, Cale Cross House 156 Pilgrim Street, Newcastle upon Tyne, NE1 6SU

**Legal Advisor** Alistair Wolf

#### Bankers

Barclays Bank Plc 215 High Street, Gateshead, Tyne and Wear, NE8 1BX

### Trustees

Marilyn Charlton (Chair)	Margaret Barrett	Karen Franks	Anne Walton (app 16/07/19)
Patricia Anne McDermott (Vice Chair)	Hugh Dolan Conway	Irena Peel (app 23/04/19)	Alice Wiseman
	Glenda Cook	Deborah Smith	

A huge thank you to the following staff members, freelance contractors and volunteers who served and supported the organisation during the year ending March 2019.

Douglas Hunter	Co-Director	Joanie Crump	Family & Volunteer Lead (Appointed January 2019)
Alice Thwaite	Co-Director	Jos Forester-Melville	HenPower Programme Manager (Freelance)
Debbie Oladapo	Administrator/Finance Officer	Susan Ratliff	Creative Friends Lead (Freelance)
Kate Parkin	Creative Age Programme Manager	Ben Wilson	Individual Giving Officer (Freelance)
Helen Moore	Grants and Programme Manager	Kerry Wood	Communications Officer (Freelance)
Victoria Baker	Assistant Fundraiser (Appointed November 2018)		
Beverley Logan	Fundraising Officer (Appointed January 2019)		

Aimee Robertson	Danielle Giddins	Julia Proud	Patrick Villiers-Stuart
Alberto Fusco	David Charlton	Juliette Rajak	Phyllis Christopher
Alice Guthrie	David Naphine	Kate Sweeney	Rael Rawlinson
Amy Madge	Dawn Giles	Laura Lowther	Rosi Thornton
Andra Miloiu	Dawn Todd	Lindsey Grieves	Samantha Burgess
Ant Photography	Elizabeth Corney	Lucy Groenewoud	Sarah Bracey
Bethan Laker	Elizabeth Emmens-Wilson	M Balaci-Teodorescu	Sarah Hill
Caroline Fentiman	Emma Hardman	Michael Davies	Sarah Osborne
Caroline Roach	Frances Archer	Morwenna Catt	Sarah Wilson
Ceinwen Haydon	Georgia Bates	Nicky Rushton	Susan Delbridge
Chloe Conquest	Hannah Shaw	Olivia Hunt	Victoria Conner
Clare Armstrong	Hannah Wood	Poppy Crawshaw	Yvette Hawkins
Claire Ford	Jeanne Lewistiff	Pete Ross	Ziad Jabroo
Daisy Barrett-Nash	Jill Hlalo		Zoe Lambert

Report of trustees' (continued)

## Structure, governance and management

### Governing document

Northern Shape t/a Equal Arts is a company limited by guarantee and a registered charity currently with a Board of 10 Trustees. Under the memorandum and articles of association with which the organisation is governed, the charity has the power to make any investment that the trustees see fit.

### Appointment of trustees

New trustees are appointed by serving trustees. The trustees meet five times each year and an Administrative/Finance Officer is appointed by the Trustees to handle the day-to-day finances of the Charity. The Trustees who served during the year are as set out on page 14. A third of the longest standing committee members need to stand down at the Annual General Meeting but can be re-elected by the existing trustees. All trustees are circulated with papers prior to the AGM advising them of the retiring trustees. Trustees are encouraged to attend appropriate external training courses whenever they are arranged.

### Induction and training of trustees

The trustees are encouraged to attend external training and are notified of relevant training by the charity.

### Organisational structure

The organisation has a Board of Trustees. Two Co-Directors manage the day-to-day operations of the charity and line manage the staff (see Organisational Chart on page 16) – the Creative Age Programme Manager, Grants Programme Manager, Assistant Fundraiser, Fundraising Officer, Family & Volunteer Lead, HenPower Programme Manager (freelance), Creative Friends Lead (freelance), Communications Officer (freelance), Finance Officer, Individual Giving Fundraiser (freelance) and a team of freelance associates and artists.

### Pay policy for senior staff

The pay of senior staff is reviewed by the board annually.

### Relationships with related parties

None of the trustees receive remuneration or other benefit from their work with the charity.

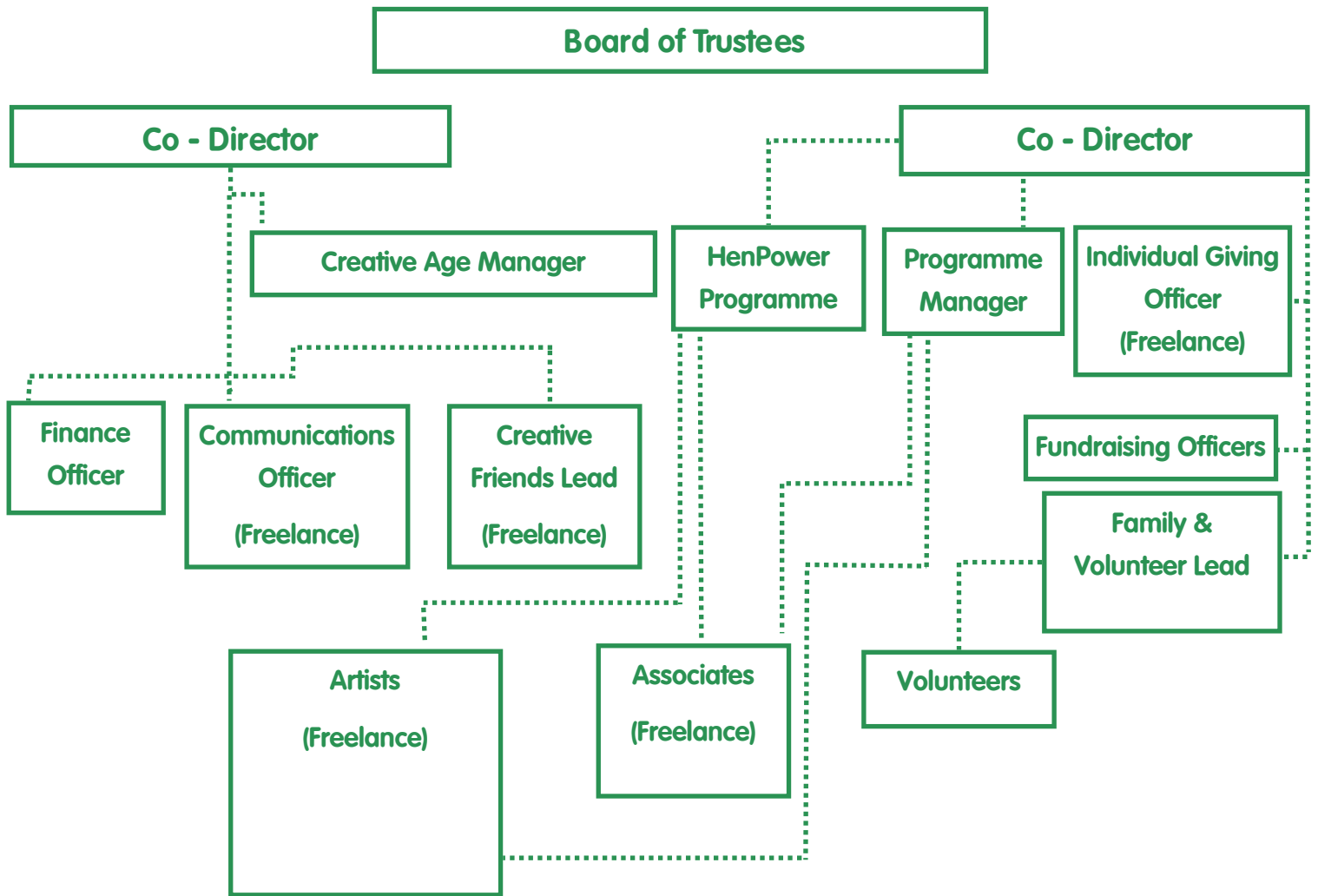
This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 14<sup>th</sup> September 2019 and signed on its behalf by:



Mrs Marilyn Charlton (Chair)

Report of trustees' (continued)



Many thanks to following funders for their support:





## Northern Shape T/A Equal Arts

### Independent Examiner's Report to the Trustees of Northern Shape For the Year Ended 31 March 2019

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I report on the accounts of the company for the year ended 31 March 2019 which are set out on pages 18 to 30.

#### 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 ICAEW, 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.



**Gillian Benjamin ACA**  
For and on behalf of Haines Watts

25/10/19

**Date**

Floor 11  
Cale Cross House  
156 Pilgrim Street  
Newcastle upon Tyne  
NE1 6SU

Northern Shape T/A Equal Arts

Statement of Financial Activities (Including Income and Expenditure Account)  
For the year ended 31 March 2019

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Income from:</b>						
Donations and legacies	4	22,781	-	266,524	289,305	393,589
Charitable activities	5	84,636	-	-	84,636	156,718
Investment income	6	1,560	-	-	1,560	1,410
		<u>108,977</u>	<u>-</u>	<u>266,524</u>	<u>375,501</u>	<u>551,717</u>
<b>Expenditure on:</b>						
Raising funds	7	51,332	-	-	51,332	64,871
Charitable activities	8	28,857	49,157	360,634	438,648	400,809
		<u>80,189</u>	<u>49,157</u>	<u>360,634</u>	<u>489,980</u>	<u>465,680</u>
<b>Net income/(expenditure)</b>		28,788	( 49,157 )	( 94,110 )	( 114,479 )	86,037
Transfers between funds	17	13,272	( 23,887 )	10,615	-	-
<b>Net movement in funds</b>		<u>42,060</u>	<u>( 73,044 )</u>	<u>( 83,495 )</u>	<u>( 114,479 )</u>	<u>86,037</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		38,784	189,784	188,872	417,440	331,403
<b>Total funds carried forward</b>		<u>80,844</u>	<u>116,740</u>	<u>105,377</u>	<u>302,961</u>	<u>417,440</u>

All income and expenditure has arisen from continuing activities.

Northern Shape T/A Equal Arts

Balance Sheet  
As at 31 March 2019

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Fixed assets</b>						
Tangible assets	13	2,713	-	-	2,713	784
<b>Current assets</b>						
Debtors	14	21,337	-	-	21,337	14,334
Cash at bank and in hand		81,036	116,740	121,377	319,153	412,410
		<u>102,373</u>	<u>116,740</u>	<u>121,377</u>	<u>340,490</u>	<u>426,744</u>
Creditors: amounts falling due within one year	15	( 24,242 )	-	( 8,000 )	( 32,242 )	( 10,088 )
<b>Net current assets</b>		<u>78,131</u>	<u>116,740</u>	<u>113,377</u>	<u>308,248</u>	<u>416,656</u>
<b>Total assets less current liabilities</b>		<u>80,844</u>	<u>116,740</u>	<u>113,377</u>	<u>310,961</u>	<u>417,440</u>
Creditors: amounts falling due after more than one year	16	-	-	( 8,000 )	( 8,000 )	-
<b>Net assets</b>		<u>80,844</u>	<u>116,740</u>	<u>105,377</u>	<u>302,961</u>	<u>417,440</u>
<b>Funds</b>						
Unrestricted fund					80,844	38,784
Designated funds					116,740	189,784
Restricted funds					105,377	188,872
	17				<u>302,961</u>	<u>417,440</u>

For the year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements were approved by the trustees on 17 September 2019 and signed on their behalf by:

  
Mrs M Charlton – (Chair) – Trustee

  
Ms P A McDermott – (Vice Chair) - Trustee

Company Registration No: 01992359

The notes form part of these financial statements

## Northern Shape T/A Equal Arts

### Cash Flow Statement

For the year ended 31 March 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	( 92,366 )	71,193
<b>Net cash provided by (used in) operating activities</b>		<u>( 92,366 )</u>	<u>71,193</u>
<b>Cash flows from investing activities</b>			
Interest received		1,560	1,410
Payment to acquire tangible assets		( 2,451 )	( 1,145 )
<b>Net cash provided by (used in) investing activities</b>		<u>( 891 )</u>	<u>265</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>( 93,257 )</u>	<u>71,458</u>
Cash and cash equivalents at the beginning of the reporting period		412,410	340,952
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>319,153</u>	<u>412,410</u>

**Notes to the financial statements  
for the year ended 31 March 2019**

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**1. Accounting Policies**

**1.1 Basis of preparing the financial statements**

The financial statements 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) issued on 16 July 2014 (as updated through Update Bulletin and published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**1.2 Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the levels of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**1.3 Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**1.4 Income**

All income is recognised in the Statement of Financial Activities (SoFA) when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted when incurred.

Investment income relates to interest earned through holding assets on deposit.

**Notes to the financial statements (Continued)**  
**for the year ended 31 March 2019**

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**1.5 Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is possible that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**1.6 Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-	Straight line over 6 years
Computer equipment	-	Straight line over 3 years

**1.7 Debtors**

Debtors (including trade debtors and loan receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

**1.8 Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with instant access from the date of opening of the deposit or similar account.

**1.9 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 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 after allowing for any trade discounts due.

**1.10 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.11 Taxation**

The charity is exempt from corporation tax on its charitable activities.

**2. Legal status**

Northern Shape is a Company Limited by Guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The address of the registered office is given in the charity information in the reference and administration pages of these financial statements.

Notes to the financial statements (*Continued*)  
for the year ended 31 March 2019

## 3. Comparatives for the Statement of Financial Activities

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2018 £
<b>Income from:</b>					
Donations and legacies	4	11,674	-	381,915	393,589
Charitable activities	5	151,973	-	4,745	156,718
Investment income	6	1,410	-	-	1,410
		<u>165,057</u>	<u>-</u>	<u>386,660</u>	<u>551,717</u>
<b>Expenditure on:</b>					
Raising funds	7	64,871	-	-	64,871
Charitable activities	8	100,487	-	300,322	400,809
		<u>165,358</u>	<u>-</u>	<u>300,322</u>	<u>465,680</u>
<b>Net income/(expenditure)</b>		( 301 )	-	86,338	86,037
Transfers between funds	17	( 192,517 )	151,112	41,405	-
<b>Net movement in funds</b>		<u>( 192,818 )</u>	<u>151,112</u>	<u>127,743</u>	<u>86,037</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		231,602	38,672	61,129	331,403
<b>Total funds carried forward</b>		<u><u>38,784</u></u>	<u><u>189,784</u></u>	<u><u>188,872</u></u>	<u><u>417,440</u></u>

## Northern Shape T/A Equal Arts

### Notes to the financial statements (Continued) for the year ended 31 March 2019

#### 4. Donations and legacies

	2019	2018
	£	£
Grants receivable	252,664	374,713
Donations	36,641	18,876
	<u>289,305</u>	<u>393,589</u>

#### Grants receivable analysis:

	£
The Headley Trust	30,000
Community Foundation – Tyne and Wear & Northumberland – The Henry Smith Charity	35,000
Arts Council England Fund	20,620
County Durham Community Foundation	6,000
Gateshead Council	16,844
NESTA	110,000
Masonic Charitable Trust	24,000
Other	10,200
	<u>252,664</u>

#### 5. Income from charitable activities

	2019	2018
	£	£
Earned income	82,053	143,021
Other income	2,583	13,697
	<u>84,636</u>	<u>156,718</u>

#### 6. Investment income

	2019	2018
	£	£
Bank interest receivable	1,560	1,410
	<u>1,560</u>	<u>1,410</u>

#### 7. Raising funds

	2019	2018
	£	£
Wages and salaries	31,687	44,421
Individual Giving fundraising officer	18,000	18,577
Fundraising costs	1,645	1,873
	<u>51,332</u>	<u>64,871</u>



## Northern Shape T/A Equal Arts

### Notes to the financial statements *(Continued)* for the year ended 31 March 2019

#### 8. Charitable activities costs

	Direct costs £	Support costs £	Total 2019 £	Total 2018 £
Wages and salaries	150,320	44,286	194,606	144,123
Staff travel and training	11,223	-	11,223	8,382
Direct project costs	161,053	-	161,053	173,950
Property costs	13,005	-	13,005	16,392
Office costs	20,785	-	20,785	26,440
Comms	17,140	-	17,140	10,200
Professional fees	4,543	2,196	6,739	8,710
Other costs	14,097	-	14,097	12,612
	<u>392,166</u>	<u>46,482</u>	<u>438,648</u>	<u>400,809</u>

#### 9. Support costs

	2019 £	2018 £
Wages and salaries	44,286	38,283
Professional fees	36	2,599
Governance costs (note 10)	2,160	2,160
	<u>46,482</u>	<u>43,042</u>

#### 10. Governance costs

	2019 £	2018 £
Independent examiners' fee	2,160	2,160
	<u>2,160</u>	<u>2,160</u>

#### 11. Net incoming /(expenditure)

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

	2019 £	2018 £
Independent examiners' fee	2,160	2,160
Depreciation – owned assets	522	432
	<u>2,682</u>	<u>2,592</u>

Notes to the financial statements *(Continued)*  
for the year ended 31 March 2019

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12. Staff costs

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	137,890	157,381
Social security costs	53,356	13,347
Pension costs	35,047	17,816
	<u>226,293</u>	<u>188,544</u>

The average monthly number of employees during the year was as follows:

	<b>2019</b>	<b>2018</b>
	6	5
	<u>6</u>	<u>5</u>

No employees received emoluments in excess of £60,000.

The charity trustees were neither paid nor received any other benefits from employment in the year (2018 - £nil) neither were they reimbursed expenses during the year (2018 - nil). No charity trustee received payment for professional services or other services supplied to the charity (2018 - nil).

The key management personnel of the charity comprise the trustees, and two Co-Directors. The total amount of employee emoluments received by key management personnel of the charity is £100,095 (2018 - £100,168).

Northern Shape T/A Equal Arts

Notes to the financial statements (Continued)  
for the year ended 31 March 2019

13. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2018	5,497	3,523	9,020
Additions	1,570	881	2,451
Disposals	( 4,132 )	( 580 )	( 4,712 )
At 31 March 2019	<u>2,935</u>	<u>3,824</u>	<u>6,759</u>
<b>Depreciation</b>			
At 1 April 2018	5,393	2,843	8,236
Charge for year	108	414	522
Disposals	( 4,132 )	( 580 )	( 4,712 )
At 31 March 2019	<u>1,369</u>	<u>2,677</u>	<u>4,046</u>
<b>Net book value</b>			
At 31 March 2019	<u>1,566</u>	<u>1,147</u>	<u>2,713</u>
At 31 March 2018	<u>104</u>	<u>680</u>	<u>784</u>

14. Debtors: amounts falling due within one year

	2019 £	2018 £
Trade debtors	17,249	8,621
Prepayments	4,088	5,713
	<u>21,337</u>	<u>14,334</u>

15. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	13,999	2,180
Social security and other taxes	5,338	4,327
Accruals	12,905	3,581
	<u>32,242</u>	<u>10,088</u>

16. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Trade creditors	8,000	-
	<u>8,000</u>	<u>-</u>

Notes to the financial statements (*Continued*)  
for the year ended 31 March 2019

## 17. Analysis of funds

*For the year ended 31 March 2019*

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
<b>Unrestricted funds</b>					
General fund	38,784	108,977	( 80,189 )	13,272	80,844
<b>Designated funds</b>					
Redundancy reserve	38,672	-	-	( 13,272 )	25,400
Creative Ageing Programme	151,112	-	( 49,157 )	( 10,615 )	91,340
	<u>189,784</u>	<u>-</u>	<u>( 49,157 )</u>	<u>( 23,887 )</u>	<u>116,740</u>
<b>Total unrestricted funds</b>	<u>228,568</u>	<u>108,977</u>	<u>( 129,346 )</u>	<u>( 10,615 )</u>	<u>197,584</u>
<b>Restricted funds</b>					
HenPower	113,148	184,915	( 230,248 )	-	67,815
Creative Friends	50,976	35,010	( 57,874 )	-	28,112
Creative Age	-	24,055	( 34,670 )	10,615	-
Capacity Building	14,748	-	( 14,748 )	-	-
Volunteering	10,000	-	( 10,000 )	-	-
MECC	-	16,844	( 11,384 )	-	5,460
Creative Dementia Project	-	5,700	( 1,710 )	-	3,990
	<u>188,872</u>	<u>266,524</u>	<u>( 360,634 )</u>	<u>10,615</u>	<u>105,377</u>
<b>Total funds</b>	<u>417,440</u>	<u>375,501</u>	<u>( 489,980 )</u>	<u>-</u>	<u>302,961</u>

Notes to the financial statements (*Continued*)  
for the year ended 31 March 2019

17. Analysis of funds (*Continued*)*For the year ended 31 March 2018*

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
<b>Unrestricted funds</b>					
General fund	231,602	165,057	( 165,358 )	( 192,517 )	38,784
<b>Designated funds</b>					
Redundancy reserve	38,672	-	-	-	38,672
Creative Ageing Programme	-	-	-	151,112	151,112
	<u>38,672</u>	<u>-</u>	<u>-</u>	<u>151,112</u>	<u>189,784</u>
<b>Total unrestricted funds</b>	<u>270,274</u>	<u>165,057</u>	<u>( 165,358 )</u>	<u>( 41,405 )</u>	<u>228,568</u>
<b>Restricted funds</b>					
HenPower	46,476	244,229	( 177,557 )	-	113,148
Creative Friends	13,221	88,294	( 50,539 )	-	50,976
Creative Age	-	26,582	( 62,249 )	35,667	-
Training Network Care	1,432	-	( 1,432 )	-	-
Capacity Building	-	14,748	-	-	14,748
Volunteering	-	10,000	-	-	10,000
MECC	-	2,807	( 8,545 )	5,738	-
<b>Total restricted funds</b>	<u>61,129</u>	<u>386,660</u>	<u>( 300,322 )</u>	<u>41,405</u>	<u>188,872</u>
<b>Total funds</b>	<u>331,403</u>	<u>551,717</u>	<u>( 465,680 )</u>	<u>-</u>	<u>417,440</u>

**Designated funds**

Redundancy reserve – the fund has been set up to cover contractual redundancy costs the charity would have to meet should it be required to wind up, this calculation is reviewed annually.

Creative Ageing Programme – a one off donation was received during 2016-17 which the trustees earmarked to fund the expected deficits on the Creative Age Project.

**Restricted funds**

HenPower - This project works with older people, volunteers and care staff, equipping them with the skills and knowledge to become hen keepers in residential care settings. Alongside the hens, artists deliver creative programmes and involve school children, the community and volunteers.

Creative Friends - A project that enables older people to meet each other and go out to arts and creative venues and share their interests.

Creative Age - This project works with arts venues to support them to develop imaginative creative ageing programmes that enable older people, particularly those with long term health conditions, to participate.

Creative Dementia Programme – This project works with health trusts to provide creative sessions for people receiving a dementia diagnosis and resilience training for healthcare staff working in the field of dementia care.

## Northern Shape T/A Equal Arts

### Notes to the financial statements *(Continued)* for the year ended 31 March 2019

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#### 17. Analysis of funds *(Continued)*

Training Network - Tyne and Wear Care Alliance fund Equal Arts to deliver training to care staff and run the Creative Ageing Network for activities staff in Gateshead.

Capacity Building – this income was received to fund a CRM system, website improvements and staff training.

Volunteering – the income was received to assist with working with volunteers.

Making Every Contact Count - MECC is a Gateshead public health initiative about supporting people to make positive changes to their physical and mental health and wellbeing through everyday conversations and consistent information.

#### 18. Pension costs

The scheme is a defined contribution scheme and the pension charge represents the amount payable by the charity to the fund in respect of the year. Pension contributions payable for the year ended 31 March 2019 amount £34,876 (2018 - £17,816).

#### 19. Related party disclosures

There were no related party transactions for the year ended 31 March 2019.

#### 20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019	2018
	£	£
Net income/(expenditure) for the reporting period	( 114,479 )	86,037
Adjustments for:		
Depreciation charges	522	432
Interest received	( 1,560 )	( 1,410 )
(Increase) in debtors	( 7,003 )	( 8,064 )
Increase/(decrease) in creditors	30,154	( 5,802 )
Net cash provided by (used in) operating activities	<u>( 92,366 )</u>	<u>71,193</u>