

Company Registration Number: 04566484
Charity Registration Number: 1105174

CREATIVE FOLKESTONE
(A COMPANY LIMITED BY GUARANTEE)

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

Year ended 31 March 2022

CREATIVE FOLKESTONE

Strategic Report

For the year ended 31 March 2022

The Trustees, (who are also directors of the Charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Creative Folkestone for the year ended 31 March 2022.

The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". As Creative Folkestone is a company limited by guarantee, the report and statements also comply with the Companies Act 2006.

Pages 1 to 3 comprise the Strategic Report as required by company law, as well as providing the information required by SORP for the Trustees' Annual Report.

Reference and administrative details

Registered company number	04566484 (England and Wales)
Registered charity number	1105174 (England and Wales)
Registered office	Quarterhouse Mill Bay, Folkestone Kent CT20 1BN
Trustees	Sir Roger De Haan (Chair) Cathy Beare Lady Alison De Haan Sir Stephen Deuchar CBE Paul Hudson Andrew Ironside Trevor Minter OBE DL Judith Nesbitt (Appointed 27 th June 2022) The Earl of Radnor Vanessa Stone Alastair Upton Grahame Ward (Retired 8 th March 2022)
Chief Executive	Alastair Upton
Deputy Chief Executive	Fiona Kingsman
Company Secretary	Angela Ludlow
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Solicitors	Withers LLP 16 Old Bailey, London EC4M 7EG
Bankers	NatWest Bank Folkestone Branch, Europa House 49 Sandgate Road Folkestone Kent CT20 1RU
Website	www.creativefolkestone.org.uk

CREATIVE FOLKESTONE

Strategic Report

For the year ended 31 March 2022

Objectives and activities

Established in 2002, Creative Folkestone is an arts charity dedicated to producing and enabling the very best creative activity to help transform Folkestone and the surrounding area of Kent. Working with the people of Folkestone, our partners and other stakeholders, we aim to make the town a better place to live, work, play, study and visit.

The Charity's objectives, as set out in the governing document, are "The fostering of knowledge and appreciation of art, music and literature; the relief of poverty by assisting individuals who are in need, in particular by assisting artists to become self-supporting through their art; the provision of facilities in the interests of social welfare for the inhabitants of Folkestone and the surrounding district; the promotion of regeneration in areas of social and economic deprivation."

Creative Folkestone believes that everyone is creative, and that creativity has the power to change people and places for the better. With a passion for creativity at its heart, the Charity will enable people's creativity to flourish, enriching the town and those who live in it, or visit it, and transform Folkestone's reputation.

All our Board and staff are committed to enabling the very best work to be created. We always appoint skilled and ambitious curators and programmers who are empathetic to art, artists, place and community. Creativity drives the goals we set ourselves and which continue to guide the organisation:

- Goal 1: Creatively engage the people of Folkestone
- Goal 2: Creatively transform the look of Folkestone
- Goal 3: Creatively change the economy of Folkestone
- Goal 4: Change the reputation of Folkestone as a creative town
- Goal 5: Create a sustainable Creative Folkestone

A principal focus for the Charity in achieving these goals is the development of the Creative Quarter, in the historic old town area of Folkestone, through a process of property acquisition, refurbishment and letting. The Charity benefits from a collaboration with the Roger De Haan Charitable Trust (RDHCT), which shares many of the Charity's goals. Typically, RDHCT funds the acquisition and refurbishment costs of properties and after the renovation works are complete leases them to the Charity on a long term basis at a peppercorn rent. Creative Folkestone then proceeds to let the refurbished property at affordable rates to artists, education providers and a wide range of creative organisations.

Creative Folkestone has a remarkable record of success having already transformed the most run down part of Folkestone. Around ninety buildings have been restored in the Creative Quarter and the area is populated by artists and creative industries. We use the Quarterhouse, our performance venue that we built in 2008, to stage our annual Folkestone Book Festival and a full programme of music, theatre, dance and comedy. The area has been animated by five internationally acclaimed Folkestone Triennials when we commissioned site specific artworks to be exhibited in the public realm around the town. After each show we kept many of the exhibits and added them to Folkestone Artworks which have then been kept on permanent display. As our collection has grown, so has Folkestone's reputation as a unique destination for those who enjoy contemporary art. In 2021 we took on the stewardship of Prospect Cottage, Derek Jarman's former home in Dungeness, along with a commitment to open its doors to the public through visits and a residency programme.

The Charity continues to work with a range of public and private sector organisations on a number of strategically important initiatives which are helping us to have a profound regenerative impact on the community.

The creative transformation of Folkestone is being achieved through a number of core projects developed and managed by Creative Folkestone: the Creative Quarter, Quarterhouse, Folkestone Book Festival, Folkestone Triennial, Folkestone Artworks and Prospect Cottage; all these initiatives are underpinned by our Learning and Engagement programme.

CREATIVE FOLKESTONE

Strategic Report

For the year ended 31 March 2022

Public benefit

The Charity's Trustees have complied with their duties under the Charities Act 2011 to have due regard to public benefit guidance (PB1, PB2 and PB3) published by the Charity Commission. They are aware of the public benefit requirement, its implications for charities and their duty to report how they have carried out the Charity's purposes for the public benefit and take the public benefit guidance into account when making decisions.

The Charity's particular public benefit activities are included under Achievements and Performance. Our activities, and particularly our Learning and Engagement work and co-produced festivals, are deeply embedding Creative Folkestone in the local community. Folkestone Triennial, and many other activities, are free of charge to the public.

The Charity continues to contribute to the overall social and economic regeneration of deprived areas in Folkestone through the advancement of the arts, culture, heritage, learning and the establishment of a community of over 600 creative individuals and businesses.

Structure, governance and management

The Charity is a company limited by guarantee with no share capital, and a registered charity. The Charity's memorandum and articles of association are the primary governing documents of the Charity.

Creative Folkestone has a supportive Board of highly skilled and committed Trustees. The Trustees during the year were those set out on page 1. Trustees are also members of the Charity. The Trustees have complied with the duties described under the Charities Act 2011, and with proper regard to the guidance published by the Charity Commission.

The Creative Folkestone Board provides the statutory governance and also governance over artistic vision and quality. The Board is supported by four Sub Committees who oversee Management, Visual Arts, Performing Arts and Learning and Engagement and Creative Quarter Regeneration, and report back their recommendations to the main Board.

We actively advertise for new members of sub-committees of the Board and applicants are interviewed by the CEO and another trustee. They are invited to join the sub committees and if appropriate can move on to the main board. Our induction process includes Trustees being given a copy of our constitution, audited accounts and copies of trustee meeting minutes, together with the Charity Commission's guidelines for charity trustees. The new Trustee is also given a detailed tour of the Creative Quarter and an introduction to all the projects being undertaken by the Charity.

Although there is no formal training policy in place, the Trustees are encouraged to participate in training programmes either through their principal employer or through participation in ad hoc training courses.

Key management personnel and pay policy

The Charity considers its key management personnel to be its Board of Trustees, the Chief Executive and the Deputy Chief Executive. The remuneration is normally set annually in accordance with the pay policy, with any changes taking effect from the 1st April each year. The Chief Executive and the Deputy Chief Executive are the only paid key management personnel. The pay policy for the Chief Executive and the Deputy Chief Executive is the same as for other staff.

This Strategic Report was approved by the Board of Trustees on **6 December 2022** and signed on their behalf by.



Sir Roger M De Haan – Chair of Trustees

CREATIVE FOLKESTONE

Report of Trustees For the year ended 31 March 2022

Achievements and performance

Creative Folkestone overview

The financial year started with many Covid-19 restrictions still in place and performance spaces at Creative Folkestone closed to audiences and the public during April and May. While we continued to successfully deliver a creative programme digitally and outdoors, the uncertainty of the ongoing pandemic meant that we had to remain flexible and adapt to changing circumstances for most of the year.

Following the easing of restrictions in June 2021, our efforts focused on bringing Folkestone, including the Creative Quarter, back to life and providing a much-needed boost to the local economy.

To do this we drew on our experience and learnings from the 2020/21 lockdowns, which gave us the confidence to be both innovative and experimental with our creative programme which was planned to be delivered both digitally and in person.

We celebrated the reopening of the Quarterhouse in June, supported by the Arts Council Cultural Recovery Fund, with a new hybrid summer iteration of our postponed annual Folkestone Book Festival. With some restrictions still in place, and live audiences having to be limited, nearly all of the programme was made available via a digital platform. Our summer festival gave many Folkestone residents an opportunity to come out of isolation to join a variety of outdoor talks, debates, films and performances.

The highlight of 2021 was the fifth Creative Folkestone Triennial which, postponed for a year, took place over an extended period of 15 weeks from 22 July to 2 November 2021. The exhibition attracted more than 220,000 visitors, generating over £13,300,000 for the local economy and, along with impressive national and international media coverage, provided the town with a much needed reboot.

The Triennial transformed the town through the installation of 23 new contemporary artworks from 21 international artists and collectives - including three Turner Prize winners - placed in 45 locations, making it more ubiquitous than any of its predecessors. Additionally, four artworks were selected from Folkestone Artworks to contribute to the narratives of the exhibition. The newly commissioned works were by artists from all over the world including Bangladesh, Chile, Belgium, Mozambique, France, Croatia, Holland, Japan, Ghana, Germany, Malaysia as well as the UK.

The community gained access, for the first time in decades, to the disused Gasworks site in Folkestone by placing three Triennial artworks here. This was achieved by the effective campaigning work of the Pioneering Places East Kent project. The site has now been purchased by Folkestone and Hythe District Council who have committed, in partnership with Creative Folkestone, to create a flagship of urban redevelopment.

The work of the Performing Arts and Learning Team gained momentum through the year as Creative Folkestone's regular arts and performance programme resumed in earnest. In total, Quarterhouse staged 103 performances attended by 6,903 people bringing back the fun and enjoyment of live performance.

The in-person Learning and Engagement Programme returned in the lead up to the Triennial with a diverse and inclusive programme aimed at all ages, backgrounds and abilities. In total, it offered more than 136 activities which were enjoyed by approximately 7,600 participants.

Free and inclusive outdoor events such as *Walk with Amal*, *The Day of the Crowned Death* and *Beacons* proved popular and were attended by thousands of Folkestone residents and visitors who celebrated the return of the town to being a popular seaside destination buzzing with life, creativity and art.

Artists and creatives in Folkestone continued to use our performance spaces, even while Covid restrictions were in place, for research, development, training and rehearsals through our *Open Sesame* programme. Together with the offer of seed funding, this presented a lifeline for many as it allowed participants to use the period when live performance in front of audiences was restricted for rehearsals and/or development.

Having been hit hard by the Covid-19 pandemic the Creative Quarter returned, over the summer, to a bustling place frequented by visitors seeking creativity and inspiration. Interest in new tenancies remained strong, indicating a continuation of the creative sector recovery. This resulted in high occupancy levels of over 90% by year end March 2022.

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Report of Trustees For the year ended 31 March 2022

In December we took on the stewardship of Prospect Cottage, Derek Jarman's former home in Dungeness, following a successful campaign delivered by Art Fund, Creative Folkestone and Tate to save the cottage and its iconic garden. Maintenance work then began on the cottage and garden, and preparations for a commitment to open its doors to the public through visits and a residency programme.

Activities for the EU Interreg North Sea programme, CUPIDO, continued digitally with the first in person meeting finally taking place in March 2022. The project started in 2018 and brought together 16 partners from seven countries to share their knowledge, expertise and resources for promoting the digitalisation of the cultural sector and the establishment of CreaTech industries.

Funding included a contribution to the costs for the establishment of our digital:glassworks hub and the integration of digital components into the Book Festival and Triennial programme. It also financially supported Open Quarter 2021 giving SMEs in the Creative Quarter the opportunity to share their digital knowledge and to promote their businesses. Due to the Covid pandemic, the project was granted a second six-month extension, pushing the anticipated end date back to September 2022.

During 2021 works were completed in digital:glassworks for the Hi3 Network, a project funded by European Regional Development Fund (ERDF) and led by London South Bank University in partnership with Canterbury Christ Church University, Creative Folkestone, Maidstone Studios and Screen South.

The Board of Trustees would like to express their appreciation for the continued generosity of its benefactors in terms of both committed funding and in-kind assistance with the work of the charity, including Art Council England (ACE), Kent County Council (KCC), Folkestone and Hythe District Council (FHDC), National Lottery Heritage Fund, Historic England, England's Creative Coast, Canterbury Christ Church University, CUPIDO and the EU Interreg North Sea Programme, Hi3 Network, Oak Foundation, Henry Moore Foundation, Embassy of the Netherlands, Saga, NewsNow, Jenner, Breem Construction, Hollaway, Leas Pavilion Development Limited, Martello Building Consultancy, Neat Studios, Otterpool Park and Quinn Homes.

The Board of Trustees would like to convey special thanks to the Trustees of RDHCT for their continued support for the work of Creative Folkestone.

The Board of Trustees would also like to express their appreciation for the dedication and hard work of both the Charity's staff and its committee members who are not Trustees. Their continued flexibility and willingness to adapt to still changing conditions due to the Covid-19 pandemic made it possible to deliver an ambitious and challenging arts and performance programme and to allow the Creative Quarter to recover from the unprecedented ramifications of the lockdowns.

Creative Quarter

The Creative Quarter is an urban village of designers, filmmakers, musicians, web developers and artists located in the old town of Folkestone. It is made up of over ninety restored buildings spanning residential flats, studios, offices, warehouses and shops. The area is populated by a community of over five hundred artists and creatives and home to many businesses and individuals who have created hundreds of jobs that have helped rejuvenate the local economy.

The Creative Quarter reopened properly over the summer with the easing of Covid restrictions. The visitors generated by the Book Festival and the Triennial helped to bring the local economy slowly back to life.

New enquiries for tenancies resulted in high occupancy levels of over 90% by year end March 2022. The bulk of applicants were for residential, ground floor commercial space and Old High Street shops which meant that any of these properties were swiftly occupied when they became available.

A number of tenants moved into larger premises after having successfully developed their practices or businesses and have outgrown their work spaces. This included Fourth Wall, Folkestone, and Ben's Vintage which moved into new and larger properties on the Old High Street.

The summer saw the successful return of pop-ups as trials for permanent premises - a model which we intend to replicate going forwards.

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Report of Trustees

For the year ended 31 March 2022

Handover of the new Mill Bay Cabins took place on 8 September 2021 with tenants moving in soon after. The buildings in Mill Bay are striking, modern, wooden-clad structures incorporating a Triennial artwork by Jacqueline Poncelet.

Mill Bay Cabins completes the final handover of new and refurbished spaces by the Roger De Haan Charitable Trust to Creative Folkestone. Since 2002, the RDHCT has been purchasing, restoring and leasing, at a peppercorn rent, properties in the Creative Quarter to Creative Folkestone. The portfolio consists of 90 buildings which contain 76 residential, 52 business and 126 studio and office spaces. The properties are leased to Creative Folkestone on a 125 year term. The leases allow Creative Folkestone to gain a rental income to deliver their charitable works.

Last year saw the completion of the planned external building redecoration in the Old High Street, Tontine Street and Mill Bay area which gave the entire quarter an uplift. It comprised essential repairs and cleaning for many of the buildings, including gutters and external plumbing.

Open Quarter returned in September with Open Studios; a two day festival in Payers Park and live streamed/in person talks at Quarterhouse and Glassworks which were well attended by the public and tenants alike.

On 2 November 2021 the Creative Quarter was filled with colour and sound as the annual Christmas light switch-on was paired with the *Day of the Crowned Death* event that marked the close of the Triennial. Hidden in the artwork *Janus Fortress: Folkestone* by Pilar Quinteros was a crowned skull that was brought down from the East Cliff, through the Creative Quarter, and on to Payers Park where the artwork now resides. The procession of drummers, dancers and musicians was accompanied by more than 3,000 people, bringing visitors into the Creative Quarter.

The regular Creative Quarter Christmas Concert resumed giving tenants, partners and the local community an opportunity to come together in celebration. The event featured performances of music, poetry and live art by Creative Quarter tenants.

We continued to be part of the Hi3 Network, a project launched in 2020 and co-funded by the European Union with a focus on the development of moving-image, screen-based and creative technologies through innovative research and development. The aim is to establish a network of industry specialists, researchers and businesses that will bring new opportunities and resources to young film creators at digital hubs in Folkestone, Canterbury and Maidstone.

The Folkestone hub is based in digital:glassworks and Hi3 Network funding supported office and studio costs for one of our partners, Screen Sout, a cultural development organisation with digital creativity at its heart. Last year saw the official launch of the hub and our work focussed on raising awareness for the Hi3 Network and Screen South through social media and internal and professional network communications.

In addition, Creative Folkestone raised awareness for the project through targeted communication to local SME's and professionals, using our existing networks. This included promoting the Hi3 Network to Creative Quarter tenants, posting information in Facebook groups and contacting organisations such as the local Chamber of Commerce.

Creative Folkestone Triennial 2021

Twenty-one artists from diverse backgrounds were invited to use the public realm as their inspiration to create new artworks to reflect Folkestone's cultural history and highlight current topics in the town and the wider world. Entitled *The Plot*, the Triennial took visitors on various routes through Folkestone to learn more about three historic narratives: St Eanswythe's watercourse, the physician William Harvey's discovery of the circulation of the blood and Folkestone's industrial road, 'The Milky Way'.

In total, 23 site-specific artworks were created by internationally acclaimed artists, including three Turner prize winners, in 45 positions around Folkestone. The artworks encouraged visitors to reflect upon the gap between stories and their reality, raising questions about the universal need to distinguish myth from reality.

The contributing artists/artist collectives were Assemble, Rana Begum, Sam Belinfante, Stephanie Bergman, Jyll Bradley, Patrick Corillion, Shezad Dawood, Richard Deacon, Diane Dever, Jacqueline Donarchie, Gilbert & George, Genuinefake, Tina Gverović, Mariko Hori, Christopher Houghton Budd, Atta

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For the year ended 31 March 2022

Kwami, Morag Myerscough, Jaqueline Poncelet, Pilar Quinteros, Bob and Roberta Smith, Mike Stubbs, Jason Wilsher-Mills, Wolfgang Winter & Berthold Hörbelt, HoyCheong Wong, Simon Davenport & Shahed Saleem and Bill Woodrow.

Approximately 220,000 visitors enjoyed the exhibition with 45% of those visiting for the first time, doubling the proportion of previous events, indicating that our audience reach has broadened.

A survey revealed that 88% of visitors felt the Triennial helped to improve Folkestone as an attractive place to visit and 77% felt it improved the public space and environment and brought valuable business to the area.

With visitors spending approximately £50 per visit, we calculated that the Triennial generated £11,000,000 of economic activity for the region, with a further £2,300,000 of investment from Creative Folkestone, its funders and sponsors, giving a total of £13,300,000 direct inward investment into Folkestone.

In the lead up to the exhibition, partnerships with arts organisations, local community groups, charities, schools, universities, and local and regional authorities were established. They were crucial for enriching the engagement programme, ensuring that local people were included in planning and also in building the wealth of specialist knowledge and expertise required by some artworks.

We partnered with *England's Creative Coast (ECC)*, a landmark project between seven outstanding art organisations, to create a new outdoor cultural experience along the South Coast of England. The Triennial artwork *Janus Fortress: Folkestone* produced by Pilar Quinteros was co-commissioned to become one of a series of seven artworks unveiled for ECC in May 2021 at locations between the East Sussex Downs and the Thames Estuary.

In addition, the partnership funded an accompanying local community programme that included the world's first *Art Geotour* with two geocaches placed around Folkestone. The offer of the *Geotour* was taken up by a total of 1,400 people.

The Triennial was accompanied by a comprehensive Engagement Programme encompassing a Public Programme and a Learning Programme comprising 245 events and activities attracting 16,798 participants. The programme was designed for people of all ages and abilities and with a range of interests. It was packed with talks, workshops, guided tours, films, conferences and more, offering audiences and participants, a vast range of opportunities to dive deeper into the ideas, artworks and themes of the exhibition.

The Learning Programme reached an estimated 6,500 children and young people through 87 workshops, 24 online assemblies and other creative activities. In September, we were delighted to finally deliver an in-person event at a local primary school attended by 220 pupils. In addition, 327 students took part in the Higher Education Programme.

1.2 million people engaged digitally through video content, podcasts and online conferences/ talks and discussions and through an interactive social media campaign.

The exhibition was widely marketed through 24 newsletters, 850 posters, 73,100 flyers, 190,000 Triennial website visits, through the local community, school assemblies and through Creative Folkestone's professional networks of funders and partners.

An extensive PR campaign secured 156 editorials in print and online press on local, national and international platforms, reaching a readership of over 3.4 billion.

A detailed evaluation report was sent to funders, partners and other stakeholders.

Folkestone Artworks

Folkestone Artworks is the largest urban outdoor exhibition of contemporary art in the UK, currently consisting of 74 artworks from 46 artists. The exhibition has grown over the years with new work added after each Triennial.

Part of the exhibition is owned by Creative Folkestone, however much of it is owned by the Roger De Haan Charitable Trust. Other exhibits are loaned by the artist. The Roger De Haan Charitable Trust pays for the exhibition's maintenance, its insurance and contributes to the costs of its custodian.

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After Folkestone Triennial 2021 we worked with Kent County Council and Folkestone and Hythe District Council to apply for planning permission for those artworks that will remain in place. If successful, it will bring the number of artworks to 90 by 57 artists.

Over the last year, maintenance work continued to be carried out as scheduled while major repair work was completed on Richard Wood's *Holiday Home*, Sol Calero's *Casa Anacaona*, AK Dolven's *Out of Tune*, Marc Schmitz and Dolgor Ser-Od's *Siren*, Christian Boltanski's *The Whispers* and Pae White's *Barking Rocks*.

Quarterhouse

The work of the Performing Arts and Learning Team gained momentum from June onwards when Covid-19 restrictions started to ease and plans were made to implement Creative Folkestone's regular performing arts programme again. A full performance programme of dance, music, theatre and film was in place for the autumn season that offered 103 performances to an audience of 6,903 people.

The community group Confidance whose work with dancers with learning disabilities returned to the digital:glassworks studio in May with their professional dance company, ConfiCo, for weekly training sessions. They performed at Rana Begum's Triennial artwork, *No. 1054 Arpeggio*. ConfiCo also presented the pop-up performance *Take a Dip*, a dance show that celebrated creativity and Folkestone's colourful seafront.

The programme of dance shows continued in November with two performances. The Jose Agudo Dance Company drew upon their unique mix of flamenco and contemporary dance and the Pagrav Dance Company, a new generation of British dancers of Indian heritage transported viewers to Uttarayan, the world-famous festival in Gujarat, North India.

Strangelove Time-Based Media Festival returned to venues across Folkestone promoting experimental, innovative art and film over two days in September with thought-provoking world premiere performances.

In September, a sold-out Quarterhouse welcomed back the first standing music audience to the Quarterhouse since COVID-19 for a live performance from the British folk/Americana trio, *The Staves*. It was presented by the Brighton based independent music promotions company, Melting Vinyl, with the group supported by the well-known Oklahoma native singer and songwriter Samantha Crain.

Melting Vinyl continued to present several contemporary folk artists with exceptional song-writing skills and musicianship throughout the winter. This included the pioneering Scottish folk trio LAU, who won the BBC Radio 2 Folk Awards Best Group four times.

In the second half of the year, Quarterhouse welcomed several theatre companies including the Frozen Light Theatre Group, who brought their sensory performance, *2065*, to the stage to tell the story of a group of rebels living outside the system in a futuristic setting. It was an opportunity to welcome audiences aged 13+ with profound and multiple learning disabilities. This strengthened our relationships with our community and care groups across Folkestone, Hythe, Romney Marsh and Ashford.

In February, one of UK's leading contemporary circus companies, Lost in Translation, returned to Quarterhouse with their spectacular *Hotel Paradiso*. The show had originally been scheduled for Easter 2020 but was postponed due to the pandemic. With most of the audience having retained their tickets the three shows that took part over the weekend were performed in front of full auditoriums.

The Doc Club started the new year with online screenings in April and May but then returned to Quarterhouse in June and continued to present monthly events throughout the autumn and winter season.

Doc Club films included *Jazz on a Summer's Day*, one of the best live music documentaries filmed at the 1958 Newport Jazz Festival in Rhode Island, *Beyond the Visible: Hilma af Klint*, a screening about a recent retrospective at the Guggenheim Museum of the visionary and influential painter Hilma af Klint; and *Cow*, a portrait of the life of a dairy cow presented by Oscar-winning director Andrea Arnold. Each screening was followed by a discussion between the hosts and the director of the film which gave audiences a unique insight into the making of the films.

In November we hosted the inaugural *Folkestone Documentary Festival* intending to bring innovative documentaries to Folkestone. The programme included the dog-friendly screening of *Stray* directed by

CREATIVE FOLKESTONE

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Elizabeth Lo and *Everybody in the Place* directed by Turner prize winner Jeremy Deller who was in conversation with Alastair Upton after the screening talking about his unique approach to documentary storytelling and the documentaries that inspire him.

Open Sesame, the programme offering free space for rehearsals, training, research & development, recording, live streaming and small meetings to the creative community, remained in place throughout the whole year. This decision was made in response to the high demand from artists and creatives to use the Quarterhouse auditorium and the digital:glasswork's studio.

In addition to having free access to performance spaces, artists were able to apply for seed funding to research and develop new projects. By the end of March 2022, six grants had been awarded, bringing the total number of artists, organisations or projects supported over the last year through *Open Sesame* to 52.

In the lead up to the opening of the Folkestone Triennial, the *Open Sesame* programme was used to host workshops where residents were invited to become part of Morag Myerscough artwork, *Flock of Seagulls Bag of Stolen Chips*. Several schools and community groups participated and came up with the key phrases that were painted onto large panels attached to a metal construction that echoed a gasometer that once stood on the former gasworks site at Ship Street.

Folkestone Book Festival

Folkestone Book Festival returned, taking its inspiration once again from the ideas and thoughts of H.G. Wells, who was born in Kent and was a Folkestone resident for thirteen years. Entitled *The Shape of Things to Come*, writers, artists and thinkers explored issues, including race relations, the environment, technology, food, pandemics, Britain, Russia, Europe and the US.

The festival was set up as a hybrid of digital, live, and outdoor events to ensure that national Covid-19 guidelines were followed. The live talks and performances took place in Quarterhouse to an audience limited in size along with outside venues to create Covid safe environments for audiences, artists and staff. The 27 digital, live and outdoor events were enjoyed by a total audience of approximately 4,500 adults and children.

Participants included Polly Toynbee, Luke Harding, Laura Bates, Nick Bryant and Otegha Uwagba amongst many other well known speakers. The opening by novelist, screenwriter and film director, Hanif Kureishi, was followed by ten days of thought provoking discussions on topics such as mental health, the financial crises, politics, technological innovations and stories about remarkable women.

One of the headline events of the festival was an immersive multimedia experience, inspired by the secret wedding of Nobel laureate, novelist and playwright Samuel Beckett in Folkestone on 25 March 1961 to his long-time partner Suzanne Deschevaux-Dumesnil.

To mark the 60th anniversary of Beckett's little-known appearance in Folkestone, the festival audience was invited - one at a time - to follow his footsteps around the town. At each location, they learnt about his stay by listening to new fictional monologues, written by Helen Oyeyemi, Rupert Thomson and Eimear McBride, delivered by an all-star cast; Jade Anouka, Russell Tovey and Dame Harriet Walter. As the audience members made their way through Folkestone's old town, they listened to biographical fact-files on Beckett's life.

Another highlight of the festival were two performances at Sol Colero's shorefront artwork, *Casa Ancona*, that presented an evening of folk music, poetry and readings. A starry line-up of folk singers and musicians, including Seth Lakeman, Jon Boden, Ben Nicholls and Jack Rutter, staged a programme of music interspersed by readings from best-selling writer and broadcaster Charlie Connolly, novelist Rosa Rankin-Gee and actor Evlyne Oyedokun.

The main live event for primary schools was presented in Quarterhouse by Kent-born bestselling children's author Kathrin Rundell. Three local artists were commissioned to create online workshops using various themes of the festival. The videos were then promoted on social media and shared with primary and secondary schools in Folkestone.

CREATIVE FOLKESTONE

Report of Trustees For the year ended 31 March 2022

Open Quarter 2021

After being suspended for one year due to Covid-19, Open Quarter invited Folkestone residents and visitors to explore the Creative Quarter and take a look behind the scenes. It was also intended to raise awareness of and support for local creatives and businesses.

Open Quarter started with *Connecting Creatives*; a networking evening of PechaKucha style talks from creatives across the Creative Quarter to showcase their practice and businesses. Around 40 tenants used the event allowing them to network with fellow creatives and catch-up on the latest digital technology, experiences and skills.

Over 1,000 people of all ages enjoyed the packed programme of events in Payers Park. As well as live music, audiences enjoyed food and drink from local cafés and bars, a live graffiti painting and skating programme and a series of workshops led by local creatives.

Folkestone's skate park F51 and Neighbourhood Skate organised the skating programme and provided ramps and tuition to anyone who came along with a board.

The highlight of the afternoon was the high-quality immersive dance show *Fish Out Of Water* performed by Michaela Cisarikova Dance Company (MCDC) from within the crowds. The work explored stories of migration and displacement. The MCDC team had worked closely, over the summer, with young migrants and would often join them in the park area to understand and learn from their experiences.

Beacons

Beacons was a new outdoor winter solstice arts adventure designed by Folkestone based artist, Alison Neighbour, in partnership with Creative Folkestone and SparkedEcho, for members of the local community to celebrate their connections to each other, to the land, and to the sea. The project centred around the story of sea gooseberries that are washed up on Britain's shores every year and explained how the community used to welcome their arrival each year. It also aimed to help participants understand their role in the local and global eco-system.

The project was developed to engage with people who felt that art was not for them. The role of Creative Folkestone was to lead on the marketing of the project and co-managed the Community Engagement Programme. It also ran school workshops through its Learning and Engagement Programme.

Central to this complex and multi-layered project was the recruitment of local *Sea Gooseberry Guardians* from Folkestone, Hythe and Romney Marsh roles were to raise interest and engage the community in a Quest that took place over the month of November. In total, 169 people signed up although the total number of Quest participants far exceeded this as most people hunted with friends and family.

The more treasures the Quest participants found and logged on the project's website, the more it was likely they received a *Sea Gooseberry*. A total of 136 luminescent *Sea Gooseberries*, made from resin, were given to Quest participants, chosen members of the communities and participating schools. They were asked to bring them to the grand finale - *The Gathering* - that took place on Sunny Sands on 18 December.

The Gathering presented an immersive sound show performed by professional singers in futuristic yellow oil suits who navigated their way through the crowds on the beach while their sounds and singing were amplified through megaphones, giving the event a surreal touch. Despite the cold weather, and the increasing threat posed by Covid-19 variant Omicron, around 800 people came to enjoy the magical event with 90% of the *Sea Gooseberries* participating.

Pioneering Places

Pioneering Places East Kent was launched as part of the national Great Place Scheme and was an ambitious project to make East Kent a better place to live, work and visit by exploring heritage, developing civic pride and connecting artists and communities. Four projects in East Kent were seen as a priority with Creative Folkestone taking the overall lead as Project Directors. The Folkestone part of the project aimed to revive the abandoned and disused Ship Street Gasworks site.

Over three years, the four sites in Canterbury, Ramsgate, Dover and Folkestone formed a close partnership working together with 30 schools, three FE colleges, 11 universities and more than 140 partners, stakeholders, local community groups and national sector organisations.

CREATIVE FOLKESTONE

Report of Trustees For the year ended 31 March 2022

At the Ship Street Gasworks site in Folkestone, three public artworks were commissioned and installed as part of Folkestone Triennial 2021, fully opening the site to the public for the first time in decades and attracting over 17,500 visitors in less than eight weeks, raising awareness and increasing visibility of the sites through the power of art.

Through collaborative work with the community, professionals and policy makers, inspiring and credible proposals for the future use of the site were devised, unlocking an estimated development value of £18 million. The site was reclaimed by the local community and purchased by Folkestone and Hythe District Council in early 2021.

The Council have invited proposals from developers for a mixed-use development of the site “with a strong focus on design, sustainability and art in public spaces.” The Call for Proposals specifies the Council’s intention for developers to continue working in partnership with Creative Folkestone and the local community to create a flagship model of urban redevelopment that will benefit the community for many years to come.

Although the funded period for Pioneering Places officially came to a close on 30 September 2021, agreement was reached with its funders to participate in an end-of-project event for policymakers and stakeholders that took place on 26 October 2021 on the Terrace Pavilion at the House of Commons. The event was sponsored by Damian Collins MP and focused on *Levelling up communities through cultural and heritage-led regeneration*.

The event was attended by over 100 people including DCMS Minister for Heritage and Tourism, Nigel Huddleston MP and DCMS Minister for the Arts, Lord Parkinson. Keynote speakers included Alastair Upton, Damian Collins MP as well as Darren Henley, Ros Kerslake and Duncan Wilson, CEOs of Arts Council England, National Lottery Heritage Fund and Historic England, respectively.

Learning and Engagement

The year started with a focus on our Triennial Learning and Engagement programme.

Leading up to the Triennial launch in July, 24 online presentations were made at assemblies to an estimated 4,500 pupils in primary and secondary schools in the district. Each lasted around 15 minutes and included the introduction of a selection of the newly commissioned artworks. It was also an opportunity to draw attention to the online resources, created for children and young people, and available on Creative Folkestone’s website.

Two printed learning resources were produced - a Family Guide, aimed at primary school children, and a Young People’s Guide, designed for older children. 4,500 guides were given out to families and schools throughout the exhibition.

As an online learning resource, a padlet page was created with information and ideas for families to use while taking a Triennial tour. The link to the padlet, together with a digital version of the guides, was sent to schools to support teachers and inspire children and young people.

The Triennial Learning Programme delivered 43 workshops and tours and was attended by 1,067 people of different age ranges and abilities. Five weekly activities were offered - two school workshops, a community workshop and a family drop-in workshop every weekend. In addition, a guided tour of the artworks was offered to schools every Friday.

Local artists were invited to deliver the workshops which were all created and inspired either by the newly commissioned artworks or based on themes from *The Plot*. Every artist was asked to choose the artwork they felt most inspired by or that resonated most with them in their own practice.

Over the summer holidays, a programme of activities was offered to children and young people to boost confidence, make friends, and develop creative skills. This included workshops to experiment with sounds, music, and production and, as part of the *Neon School* series, sessions to explore movement and digital immersive technologies.

The popular Young Animators Club was back in time for the October half term with workshops for children to use their creative skills to transform artwork into a digital game that could be played on computers,

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For the year ended 31 March 2022

tablets, and phones. The brand-new animated game was played and projected onto the Quarterhouse wall during Christmas celebrations.

Both the Young Animators Club and Neon School continued in January offering weekly sessions for children and young people interested in visual and performing art.

Our regular programme of family and school workshops also resumed in January. During the first three months of 2022 a total of eight sessions took place that were attended by 244 children and parents. Themes included making lampshades, creating a new environment through sculpture, and creating installations inspired by sounds, rhythms and migrating birds.

Prospect Cottage

Prospect Cottage, on the Dungeness estate, was the home of British film director Derek Jarman. He lived there from 1986 until his death in 1994. Jarman turned the cottage into a work of art and cultivated a garden in the surrounding shingle where he grew hardy plants mixed with sculptures made from driftwood and other flotsam.

In 2020, the Art Fund led a campaign along, with Tate and Creative Folkestone, that raised over £3,600,000 to purchase Prospect Cottage and create an annual fund to support it in the future so that it could be saved for the nation and become a centre for creative activity. Creative Folkestone has become the custodian of this iconic cottage and gardens. The charity signed a 125 year lease for the cottage with the Art Fund on 2 December 2021. As part of the lease it receives funds to cover all the maintenance and basic management costs. The relationship will be reviewed over time and the lease has a break clause that hopefully will never be used after ten years.

After we signed a lease with the Art Fund, an initial three-year plan set out the framework for a research and development period to define the requirements necessary to restore the cottage and garden and to establish the principles of regular care and conservation. The plan also outlines governance, staffing and an activity plan for the roll out of the residency programme and other activities.

Creative Folkestone was successful in securing a Project Grant of £30,000 from Arts Council England to pilot a residency programme in 2022/23. This grant, along with a donation of £10,000 from Rockefeller Philanthropy, enabled Creative Folkestone to set up a programme for 12 months. The residency programme will give artists, academics, writers, gardeners, filmmakers, and others interested in Jarman an opportunity to be inspired by his work and the garden. The first residencies will take place in August 2022.

A newly formed Prospect Cottage project team at Creative Folkestone was given the responsibility of delivering the plan and it will be supported and advised by a newly established Prospect Cottage Advisory Sub-Committee.

Initially the team dealt with urgent requirements to make the cottage safe and ensure that it was watertight. An extensive survey identified further, more complex, essential maintenance issues and a Folkestone based construction company was contracted to undertake the work.

The garden was maintained and plans were drawn up to build new herb planters that Derek Jarman wanted to have when he was alive. The wooden sculptures and assemblages were inspected and repaired where the *Ness*' harsh weather conditions had left their marks over the years. Plans were also made to restore the artwork *The Sun Rising*, on the side wall of the cottage, that depicts the words of John Donne's poem.

The Tate, our partners on the cottage, took the most fragile objects into their archives to protect this artistic legacy for future generations. This archive will be available to researchers and the public.

An inventory was completed of the remaining artworks, books, assemblages and other documents that were retained in the cottage and garden. Photographs were taken to document the cottage's original interior design and contents and to create a reference for potential future refurbishments.

Diversity

Diversity and equality are embedded in all Creative Folkestone activities that will give everyone in the community, independent understanding of their racial and social background and ability, the chance to

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For the year ended 31 March 2022

have a full cultural and creative life. There is an understanding in our organisation that the more we embrace diversity, the richer the results will be.

Our aim is to represent the diversity of Britain in our creative programme, on our stages and in our exhibitions. To represent the diversity of our community in our team, governance, staff, volunteers, tenants and audiences.

Environment

Creative Folkestone is committed to reducing its environmental impact year on year with the aims and objectives set out in our Environmental and Sustainability Policy and Plan, drafted initially in 2018 and reviewed annually. Our plan centred around measuring the reduction of energy, water and waste of our performance venue Quarterhouse. The achievements were measured through the online monitoring system, Green Creative Tools, developed by the charity Julie's Bicycle for the arts and culture industry. In addition, the system was used to calculate the carbon footprint of audiences' travelling to Quarterhouse. The default setting was developed by the charity based on average audience travel data in the UK.

So far, we achieved the expected reduction in all areas measured, however, for the year 2020/2021 was skewed by the shutdown of Quarterhouse.

Creative Folkestone's overall environmental impact, measured in carbon dioxide equivalent (CO₂e), was 97 tonnes reduced from 176 tonnes CO₂e in 2018/19 which is when we started to measure our carbon footprint. Of this, energy was 39 tonnes reduced from 64 tonnes, water and sewage was 275kg reduced from 1 tonne, waste was 13 tonnes reduced from 34 tonnes, and audience travel was 44 tonnes reduced from 176 tonnes in 2018/19. Covid lockdowns, over the last two years, mean that the CO₂e data has dramatically reduced since we started collecting it in 2018/19. We expect, therefore, that 2022/23 data will show an increase in carbon footprint on this year, so future data must be read within this context.

In the last year our new policy has been drafted. It confirms our continued commitment to reduce the carbon footprint created by Quarterhouse activities but extends Creative Folkestone's responsibilities, for the first time, to the Creative Quarter with data being collected from our tenants and all of our properties.

Future Plans

In Autumn 2022, Creative Folkestone will celebrate its 20th anniversary and we will use this as an opportunity to highlight the charity's impact as the UK's leading placemaking organisation.

There are plans in development to celebrate the achievements of the last 20 years whilst at the same time looking forward to the next phase of Creative Folkestone's work as we start to roll out an ambitious five-year business plan.

Although the Creative Quarter has recovered well from the Covid-19 lockdowns, we will continue to provide support and advice to our commercial tenants to help them build on the strength and resilience they demonstrated throughout the pandemic.

The Creative Quarter Team will continue to strive towards maintaining full occupancy levels with a focus on filling the remaining empty premises in digital glassworks and the newly launched properties in Mill Bay. The Creative Quarter continues to grow and develop with the recruitment of new tenants from an increasingly high-quality pool of applicants.

As a partner of the European network project Hi3 we will continue to disseminate information about training, skill enhancement and networking opportunities delivered by our partner Screen South to local film and video creatives.

With the new Triennial curator in place this year we will see the start of planning for the 2024 exhibition. It is expected that a concept will be developed, artists selected, and some artworks commissioned. Some of the Triennial 2021 artworks will be added to the Folkestone Artworks exhibition as soon as planning permissions from the councils are granted.

The Performing Arts team will strengthen their relationship with the local creative community and will increase its investment in local creative talent performing as part of our arts and performance programme alongside high-quality national touring theatre, dance, music, comedy, film and family shows.

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We will continue to offer space and seed funding for creatives to research, develop and rehearse new work through our *Open Sesame* programme. The opportunity will be an open call with a particular emphasis on encouraging artists who are currently under-represented in our programme.

Three successful festivals, SALT Festival of the Sea & Environment, Folkestone Documentary Festival and Take Up Space will take place again in 2022 with established and new partners. In addition, the Festivals Fund will continue to offer opportunities to local curators to develop their own festivals with the support of the Performing Arts team.

For 2022, the Book Festival will return to its historical slot in November to renew live contact with loyal audiences. A digital and performative element will remain as part of the programme with a continued emphasis on the future and future-thinking which will allow us to present a broad arc of writers and subjects including the climate emergency, diversity and technology.

The Learning and Engagement Programme will continue to consolidate relationships with schools across Folkestone, Hythe & Romney Marsh and to develop the family offer through an increasingly diverse range of free and open access workshops including the regular Neon School series and Young Animators Club.

Having outgrown its previous learning space on Tontine Street, Block 67 moved into larger premises in digital glassworks which will allow us to extend our adult education programme and increase the number of outreach workshops offered to community groups such as MIND, Surestart and KRAN to ensure our creative offer reaches all sections of the community.

At Prospect Cottage the planned maintenance work will be completed, and the focus will shift to the launch of its residency programme along with public visits in summer 2022. Relationships will be established and strengthened with partner organisations and the local community, and the cottage will be used as a resource for the Book Festival and the Learning and Engagement Programme.

In summary, we will continue to strive towards a full recovery from the Covid-19 pandemic. Creative Folkestone will build on last year's achievements and deliver a full programme of activities reflecting our vision to make Folkestone a better place to live, work, play and visit through creativity and regeneration for all.

Financial review

The financial position of the Charity is as set out in the financial statements for the year. During the financial year ended 31 March 2022, the Charity achieved a surplus of £1,018,685 (2021: surplus, £1,388,811) of which £1,647,500 (2021: £1,150,000) relates to the value of property donated by the Roger De Haan Charitable Trust (RDHCT) during the year.

The Charity has faced considerable challenges following the Covid-19 outbreak with restrictions placed on its charitable activities, staff movement and tenants' premises. In response, the Charity reduced its costs wherever possible including using the government's furlough scheme, adapted its operations and provided support to its staff and tenants. Helpfully, the Charity had been taking steps to build up its cash reserves which improved its resilience during recent months.

The Charity held long leasehold properties at 31 March 2022 with a balance sheet value of £14.6 million. These properties are owned by the Roger De Haan Charitable Trust and leased to Creative Folkestone at a peppercorn rent for 125 years. These properties provide a rental income for the Charity which it uses to satisfy its charitable objectives.

However, these properties may only be rented for creative and educational purposes, and the capital value may never be realised by the Charity.

The high level of restricted funds shown in the balance sheet as at 31 March 2022 relates principally to the Charity's properties in the Creative Quarter rather than available cash resources.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2022

The organisation is managed in a qualitative way. It has an agreed set of delivery objectives with the Arts Council and therefore focuses its performance to ensure the achievement of these outcomes. In addition, it has in place a limited number of high level financial KPI's and ensures through its reporting and governance structures that these objectives are scrutinised.

Reserves policy

Since the establishment in 2002 of Creative Folkestone, the Charity had been in the development phase of addressing its charitable objectives. During this period, the Charity had not sought to build its reserves, aside from those represented as property assets.

More recently the Charity has sought to build a cash reserve in addition to its property assets. It aims to maintain positive cash reserves over the next 10-year period. A risk-based assessment of need has set a target range of between £250,000 and £400,000 for its free reserves.

The figure has a ceiling raised temporarily in anticipation of a difficult economic environment. Current non-designated reserves are £507,000, and given current uncertainty considered to be acceptable.

The reserves are set out in Note 21 to the financial statements. Restricted funds are subject to specific terms and conditions declared by the donor(s) and are only used for the purposes for which they are given.

Designated funds

In preparation for the Folkestone Triennial the Board will seek to designate reserves to future Triennials in the years between exhibitions. The cost of a Triennial is circa £2,100,000.

The Trustees have designated a total of £475,875 (£83,000 to Triennial 2021, £100,000 to the cost of living reserve, £50,000 (£7,125 of which was spent during 2022) to the Charity's 20th anniversary events and £250,000 to Triennial 2024).

Investment policy

The Charity's surplus funds are presently held on cash deposit.

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Regular formal trustee and management meetings are held to review progress towards achieving the Charity's objectives and to promote strategic direction within the operation. The Senior Management Team regularly addresses the full risk schedule identified by the Trustees and puts in place procedures and controls so as to ensure those risks are adequately managed. The principal risks are a) economic downturn and Covid related uncertainty, b) loss of key Board members and staff and c) failure to hit earned income and fundraising targets. The mitigating actions are identified in the business plan, including ensuring necessary reserves, good property management, succession planning and investment in the fundraising team. The Charity had in place a contingency plan which proved its worth during Covid-19 restrictions, with operations transitioning smoothly to a home working environment for all staff.

Equal opportunities and diversity policy

The Trustees recognise that ensuring equal opportunities for all is an integral part of good practice within the workplace and Creative Folkestone remains committed to its comprehensive Equality and Diversity Policy.

The charity ensures that the buildings it occupies comply fully with the statutory regulations in place in relation to disabled access.

CREATIVE FOLKESTONE

Report of Trustees For the year ended 31 March 2022

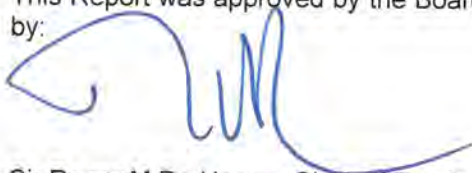
Auditor

RSM UK Audit LLP was appointed auditor to Creative Folkestone in accordance with section 485 of the Companies Act 2006 and has indicated its willingness to continue in office.

Strategic report

The matters which the Trustees deem to be of strategic importance have been included within the Report of Trustees on pages 1 to 3 in accordance with section 414c(11) of the Companies Act 2006.

This Report was approved by the Board of Trustees on 6 December 2022 and signed on their behalf, by:

A handwritten signature in blue ink, appearing to read 'R. M. De Haan', with a long horizontal flourish extending to the right.

Sir Roger M De Haan – Chair of Trustees

CREATIVE FOLKESTONE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Creative Folkestone for the purposes of company law) are responsible for preparing the Strategic Report, Report of the Trustees 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing those financial statements, the Trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities SORP;
- c. make judgements and accounting estimates that are reasonable and prudent;
- d. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATIVE FOLKESTONE

Opinion on financial statements

We have audited the financial statements of Creative Folkestone (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of Trustees other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATIVE FOLKESTONE

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of Trustees, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Report of Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Report of Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATIVE FOLKESTONE

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of Trustees and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety and tenancy laws. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls and as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP
Statutory Auditor, Chartered Accountants
25 Farringdon Street
London, EC4A 4AB

CREATIVE FOLKESTONE

Statement of Financial Activities (Including Income and Expenditure Account)

For the year ended 31 March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Income from:					
Donations and legacies	3	11,165	1,713,500	1,724,665	1,197,305
Charitable activities	4	2,415,720	725,297	3,141,017	2,379,013
Other trading activities	5	66,381	-	66,381	7,540
Investments	6	618	-	618	1,940
Other income	7	-	-	-	75,451
Total income		<u>2,493,884</u>	<u>2,438,797</u>	<u>4,932,681</u>	<u>3,661,249</u>
Expenditure on:					
Charitable activities	8	2,842,299	1,039,854	3,882,153	2,272,339
Other trading activities	11	31,843	-	31,843	99
Total expenditure		<u>2,874,142</u>	<u>1,039,854</u>	<u>3,913,996</u>	<u>2,272,438</u>
Net (expenditure)/income and net movement in funds		(380,258)	1,398,943	1,018,685	1,388,811
Total funds at 1 April		1,631,368	18,159,885	19,791,253	18,402,442
Total funds at 31 March		<u>1,251,110</u>	<u>19,558,828</u>	<u>20,809,938</u>	<u>19,791,253</u>

CREATIVE FOLKESTONE


Balance Sheet

At 31 March 2022

Company Registration Number: 04566484

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	15	19,784,751	18,385,808
Heritage assets	16	53,400	53,400
Investments	17	1	1
		<hr/> 19,838,152	<hr/> 18,439,209
Current assets			
Debtors	18	290,386	447,917
Cash at bank and in hand		1,096,468	1,525,049
		<hr/> 1,386,854	<hr/> 1,972,966
Creditors: amounts falling due within one year	19	(415,068)	(620,922)
Net current assets		<hr/> 971,786	<hr/> 1,352,044
Net assets		<hr/> 20,809,938	<hr/> 19,791,253
Funds			
Unrestricted funds	22	1,251,110	1,631,368
Restricted funds	22	19,558,828	18,159,885
Total funds		<hr/> 20,809,938	<hr/> 19,791,253

The financial statements on pages 21 to 37 were approved by the board and authorised for issue on 6 December 2022 and signed on its behalf by:



Sir Roger M De Haan – Chair of Trustees

CREATIVE FOLKESTONE

Statement of Cash Flows

For the year ended 31 March 2022

	Notes	2022 £	2021 £
Cash (outflow)/inflow from operating activities:			
Net cash (used)/generated by operating activities	24	(429,199)	296,086
Interest received		618	1,940
Net (decrease)/increase in cash and cash equivalents		(428,581)	298,026
Cash and cash equivalents 1 April		1,525,049	1,227,023
Cash and cash equivalents 31 March		<u>1,096,468</u>	<u>1,525,049</u>
Relating to:			
Cash at bank and in hand		<u>1,096,468</u>	<u>1,525,049</u>

CREATIVE FOLKESTONE

Notes to the Financial Statements For the year ended 31 March 2022

1 Accounting policies

Legal status

The Charity is a company limited by guarantee. The members of the company are the Trustees. 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.

The Charity's objectives and aims are disclosed in the Report of Trustees.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention, modified to include certain fixed assets at fair value. The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the Charity's governing document, the Charities Act 2011 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 published in October 2019 (the FRS 102 Charities SORP 2019).

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

The Charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The Trustees confirm that at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Trustees have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position. The Trustees have reviewed in detail the Charity's position and the appropriate basis on which to prepare the financial statements.

The Trustees anticipate that there will be significant adverse impacts on many income streams due to the cost-of-living crisis. The full impact cannot presently be estimated with total certainty, but the stress testing of the Charity's financial position has satisfied the Trustees that it has adequate reserves and mitigation strategies available to deal with the issue as it unfolds. The cash position is strong, the charity has no debt, the rental income has so far held up well. It is anticipated that funding from the Arts Council will be secured for the next three years. The Trustees recognise that 2022/2023 will be another challenging year and have structured the budget accordingly while assessing what further actions can be taken if needs be and they have concluded that it remains appropriate to prepare the financial statements of the Charity on the going concern basis.

Consolidation

The financial statements present information about the Charity as an individual undertaking and not about its group. The Charity has taken advantage of section 402 of the Companies Act 2006 not to prepare consolidated financial statements as the directors consider that the Charity's subsidiary may be excluded from consolidation as it is immaterial for the purpose of a true and fair view.

Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donated facilities and gifts in kind are included at the value to the Charity where this can be quantified, and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

1 Accounting policies (continued)

Income from government and other grants, whether 'capital' grants relating to tangible fixed assets 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.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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.

Governance costs include those costs incurred in the governance of the Charity and are primarily associated with constitutional and statutory requirements.

Support costs represent finance, administration and other indirect central costs. The support costs have been allocated in proportion to the direct costs incurred in respect of each activity.

Fund accounting

General funds are unrestricted funds which 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 is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Heritage assets

Metropole:

This comprises artworks that were collected through the Metropole Arts Centre that are owned by the Charity. This artwork is recognised as a heritage asset for the purposes of these financial statements, in accordance with the Charities SORP Section 18, since it is held and maintained principally for its contribution to knowledge and culture. The Trustees valued this artwork at £53,400 based upon valuations for various parts of the collection. The Trustees do not believe that the value of the artwork has changed.

Art Buff:

The Charity owns the Banksy artwork known as "Art Buff". This artwork is recognised as a heritage asset for the purposes of these financial statements, in accordance with the Charities SORP Section 18, since it is held and maintained principally for its contribution to knowledge and culture. It is included at zero net book value since information on its value is not available and a reliable estimate cannot be made of the asset's fair value. Furthermore, it is considered that the asset has no monetary value to the Charity, because the Charity considers that it would not be appropriate to sell the asset.

Taxation

Creative Folkestone is a registered Charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment losses. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	50 years straight line
Long leasehold	straight line over life of lease
Leasehold improvements	straight line over life of lease
Plant and machinery	15 – 33% on cost straight line
Computer equipment	33% on cost straight line
Fixtures and fittings	15% on cost straight line

A full year of depreciation is charged in the year of purchase and no depreciation is charged in the year of disposal.

At each reporting end date, the Trustees review the carrying amounts of its freehold and leasehold assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

Financial instruments

The charitable company applies the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognised when the charitable company becomes a party to the contractual provisions of the instrument and are offset only when the charitable company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets, including trade and other receivables (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at transaction price and subsequently measured at amortised cost, being the transaction price less amounts settled and any impairment losses.

Basic financial liabilities, including trade and other payables are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

1 Accounting policies (continued)

Agency Arrangements

The charity acts as an agent in the administering of the Great Place Scheme Pioneering Places: East Kent Fund for the National Lottery Heritage Fund. Related payments received from the National Lottery Heritage Fund and subsequent disbursements to other partners within the scheme are excluded from the statement of financial activities to the extent that the charity does not have a beneficial interest in the individual transactions.

Payments received which relate to the Charity's share of the Great Place Scheme Pioneering Places are recognised in the statement of financial activities.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Accounting estimates and areas of judgment

In application of the Charity's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgments

Heritage assets

The carrying value of the heritage assets, as valued by the trustees, is considered to be a key area of estimation.

3 Donations and legacies

	2022 £	2021 £
Restricted		
Roger De Haan Charitable Trust:		
Transfer of leasehold properties	1,647,500	1,150,000
Folkestone Festivals Fund	66,000	14,000
Total restricted	1,713,500	1,164,000
Unrestricted		
McAlpine donation	-	40,000
Eurotunnel donation	6,000	-
Other	5,165	(6,695)
Total unrestricted	11,165	33,305
Total donations and legacies	1,724,665	1,197,305

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

4 Charitable activities

	Rental income	Grants	Other sources of income	Total
	£	£	£	£
Creative Quarter	1,419,996	-	-	1,419,996
Folkestone Triennial	-	-	604,710	604,710
Folkestone Artworks	-	-	142,189	142,189
Quarterhouse	7,593	128,000	70,990	206,583
Arts Programme Festivals and events	-	-	6,744	6,744
Learning & Engagement	-	-	12,602	12,602
Great Place Scheme	-	89,222	-	89,222
Development	-	264,360	394,611	658,971
2022 Total activities	1,427,589	481,582	1,231,846	3,141,017
2021 Total activities (as restated)	1,277,181	761,447	340,385	2,379,013

Of the £3,141,017 income received in the period to 31 March 2022, £725,297 was attributable to restricted funds and £2,415,720 was attributable to unrestricted funds.

Of the £2,379,013 income received in the period to 31 March 2021, £93,382 was attributable to restricted funds and £2,285,631 was attributable to unrestricted funds.

The 2021 comparatives have been restated to reallocate £214,590 of income from other sources of income to rental income as it is considered to better reflect the nature of the income.

5 Other trading activities

	Unrestricted 2022 £	2021 £
Bar income	32,390	285
Other sundry income	33,991	7,255
	<u>66,381</u>	<u>7,540</u>

6 Investments

	Unrestricted 2022 £	2021 £
Deposit account interest	<u>618</u>	<u>1,940</u>

7 Other income

	Unrestricted 2022 £	2021 £
Government grants	<u>-</u>	<u>75,451</u>

Grants received in the prior year represent amounts received in respect of contributions towards staff salary costs under the coronavirus job retention scheme.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

8 Charitable activities

	Direct Costs £	Grants payable £	Support costs £	Total £
Creative Quarter	1,094,098	-	153,500	1,247,598
Arts programme festivals and events	74,257	66,000	12,122	152,379
Folkestone Triennial	1,187,674	-	193,886	1,381,560
Folkestone Artworks	151,619	-	24,752	176,371
Quarterhouse	455,314	-	174,271	629,585
Learning & Engagement	70,235	-	11,466	81,701
Great Place Scheme	89,222	-	14,565	103,787
Development	109,172	-	-	109,172
2022 Total activities	3,231,591	66,000	584,562	3,882,153
2021 Total activities	1,743,820	14,000	514,519	2,272,339

Of the £3,882,153 charitable activities expenditure in the period to 31 March 2022, £1,039,854 was attributable to restricted funds and £2,842,299 was attributable to unrestricted funds.

Of the £2,272,339 charitable activities expenditure in the period to 31 March 2021, £346,759 was attributable to restricted funds and £1,925,580 was attributable to unrestricted funds.

9 Grants payable

	Unrestricted 2022 £	2021 £
Arts programme festivals and events	66,000	14,000

10 Support costs

Support costs represent finance, administration, and other indirect central costs. The support costs have been allocated in proportion to the direct costs incurred in respect of each activity excluding depreciation and gifts in kind.

11 Other trading activities

	Unrestricted 2022 £	2021 £
Bar expenditure	31,843	99
	31,843	99

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

12 Auditor's remuneration	2022 £	2021 £
Audit services – statutory audit of the charity	21,500	18,500
Other services:		
Auditor's non-audit services	5,500	2,500
	<u>27,000</u>	<u>21,000</u>

13 Net income	2022 £	2021 £
This is stated after charging/(crediting):		
Government grants	-	(75,451)
Depreciation	248,557	240,416
	<u>248,557</u>	<u>164,965</u>

14 Staff costs and remuneration of key management personnel	2022 £	2021 £
Wages and salaries	845,086	627,688
Social security costs	69,712	56,815
Other pension costs	65,672	59,839
	<u>980,470</u>	<u>744,342</u>

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

	2022 no.	2021 no.
Creative Quarter	4	3
Arts programme festivals and events	1	1
Development	2	2
Marketing	3	2
Learning and engagement	1	1
Management and administration	5	5
Quarterhouse	4	3
Triennial	5	-
Visitor Experience	7	3
	<u>32</u>	<u>20</u>

The number of employees whose emoluments for the year fell within the following bands was:

£70,001 - £80,000	-	1
£80,001 – £90,000	1	-
	<u>1</u>	<u>1</u>

All employees earning more than £60,000 in the current and previous year participated in the pension scheme. Contributions for the year totalled £11,308 (2021: £11,086).

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

14 Staff costs and remuneration of key management personnel (continued)

The Chief Executive Officer, Mr A Upton, was also a member of the Board of Trustees during the year and received remuneration and benefits for his services in that office, through an employment contract with the Charity, of £80,015 (2021: £78,106) and pension contributions for the period of £11,308 (2021: £11,086). Mr A Upton was also reimbursed expenses in his role as Chief Executive Officer.

The Deputy Chief Executive Officer, Mrs F Kingsman received remuneration and benefits for her services in that office, through an employment contract with the Charity, of £51,000 (2021: £50,000) and pension contributions for the period of £5,100 (2021: £5,000).

The Charity considers its Board of Trustees, including the Chief Executive and deputy Chief Executive Officer, as their key management personnel. No other members of the key management personnel received remuneration during the current period or previous year.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

15	Tangible fixed assets	Freehold property £	Long leasehold £	Leasehold improvements £	Plant and machinery £	Furniture & Fixtures £	Computer equipment £	Total £
	Cost							
	1 April 2021	5,992,909	14,077,451	854,378	129,223	9,595	24,978	21,088,534
	Additions	-	1,647,500	-	-	-	-	1,647,500
		5,992,909	15,724,951	854,378	129,223	9,595	24,978	22,736,034
	Depreciation							
	1 April 2021	1,382,283	1,050,464	106,183	129,223	9,595	24,978	2,702,726
	Charge for the year	119,857	121,811	6,889	-	-	-	248,557
		1,502,140	1,172,275	113,072	129,223	9,595	24,978	2,951,283
	31 March 2022							
	Net book value							
	31 March 2022	4,490,769	14,552,676	741,306	-	-	-	19,784,751
	31 March 2021	4,610,626	13,026,987	748,195	-	-	-	18,385,808

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

		Total £
16	Heritage assets	
	Market value	
	At 1 April 2021 and 31 March 2022	<u>53,400</u>
	Net book value	
	At 1 April 2021 and 31 March 2022	<u>53,400</u>
17	Fixed asset investments	Shares in group undertakings £
	Market value	
	At 1 April 2021 and 31 March 2022	<u>1</u>
	Net book value	
	At 1 April 2021 and 31 March 2022	<u>1</u>

The Charity's investment at the balance sheet date was held in the following company:

	Registered Office	Class of share	% held Directly	Indirectly	Nature of business
The Creative Foundation (Trading) Limited	Quarterhouse, Mill Bay, Folkestone, Kent CT20 1BN	Ordinary A	100%	-	Dormant

18	Debtors: amounts falling due within one year	2022 £	2021 £
	Trade debtors	40,002	57,251
	Other debtors	42,962	37,642
	VAT	-	12,415
	Prepayments and accrued income	207,422	340,609
		<u>290,386</u>	<u>447,917</u>

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

19	Creditors: amounts falling due within one year	2022	2021
		£	£
	Trade creditors	95,936	182,266
	Amounts owed to group undertakings	647	647
	Social security and other taxes	9,878	-
	Other creditors	139,322	139,135
	Accruals	70,020	42,003
	Deferred income (note 19a)	99,265	256,871
		<u>415,068</u>	<u>620,922</u>

19a	Deferred income	2022	2021
		£	£
	Deferred income as at 1 April	256,871	63,365
	Income received requiring deferment	99,265	256,871
	Release of income during the year	(256,871)	(63,365)
	Deferred income as at 31 March	<u>99,265</u>	<u>256,871</u>

Deferred income of £41,695 (2021: £69,796) represents income received in advance for property rentals, £57,570 (2021: £187,075) represents income received in advance in relation to grants.

20 Pension

The Charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £65,672 (2021: £59,839). The total contributions outstanding at the year-end were £nil (2021: £6,368).

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

21	Analysis of net assets between funds – 31 March 2022	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total funds 2021 £
	Fixed assets	279,323	19,558,828	19,838,151	18,439,208
	Investments	1	-	1	1
	Current assets	1,386,854	-	1,386,854	1,972,966
	Current liabilities	(415,068)	-	(415,068)	(620,922)
		<u>1,251,110</u>	<u>19,558,828</u>	<u>20,809,938</u>	<u>19,791,253</u>
	Analysis of net assets between funds – 31 March 2021	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total funds 2020 £
	Fixed assets	279,323	18,159,885	18,439,208	17,529,624
	Investments	1	-	1	1
	Current assets	1,972,966	-	1,972,966	1,607,716
	Current liabilities	(620,922)	-	(620,922)	(734,899)
		<u>1,631,368</u>	<u>18,159,885</u>	<u>19,791,253</u>	<u>18,402,442</u>
22	Movement in funds		At 31 March 2021 £	Net movement in funds £	At 31 March 2022 £
	Unrestricted funds				
	General fund		515,885	44,306	560,191
	Designated funds		895,000	(419,125)	475,875
	Freehold property		220,483	(5,439)	215,044
			<u>1,631,368</u>	<u>(380,258)</u>	<u>1,251,110</u>
	Restricted funds				
	Freehold and leasehold properties		4,384,705	(119,857)	4,264,848
	Leasehold properties		13,775,180	1,518,800	15,293,980
			<u>18,159,885</u>	<u>1,398,943</u>	<u>19,558,828</u>
	Total funds		<u>19,791,253</u>	<u>1,018,685</u>	<u>20,809,938</u>

The Trustees have designated a total of £475,875 (£83,000 to Triennial 2021, £100,000 to the cost of living reserve, £50,000 (£7,125 of which was spent during 2022) to the Charity's 20th anniversary events and £250,000 to Triennial 2024).

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

22 Movement in funds (continued)

Net movement in funds, included in the above, are as follows:

	Income	Expenditure	Transfer	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	2,493,884	(2,081,518)	(368,060)	44,306
Designated funds	-	(787,185)	368,060	(419,125)
Freehold property	-	(5,439)	-	(5,439)
	<u>2,493,884</u>	<u>(2,874,142)</u>	<u>-</u>	<u>(380,258)</u>
Restricted funds				
Folkestone Triennial	601,500	(601,500)	-	-
Folkestone Artworks	98,797	(98,797)	-	-
Quarterhouse	25,000	(25,000)	-	-
Freehold Property	-	(119,857)	-	(119,857)
Leasehold Properties	1,647,500	(128,700)	-	1,518,800
Arts Programme Festivals & Events	66,000	(66,000)	-	-
	<u>2,438,797</u>	<u>(1,039,854)</u>	<u>-</u>	<u>1,398,943</u>
Total funds	<u>4,932,681</u>	<u>(3,913,996)</u>	<u>-</u>	<u>1,018,685</u>

Details on funds are as follows:

Folkestone Triennial	3 yearly public contemporary arts exhibition held in Folkestone.
Folkestone Artworks	Maintenance of contemporary artwork left in situ after the Folkestone Triennial.
Quarterhouse	The ownership and operation of the Quarterhouse Performing Arts Centre.
Freehold Property	Represents grants received by the Charity for capital projects. These are depreciated over the estimated useful economic life of the asset the grant was used to purchase.
Leasehold properties	Represents the transfer of leasehold properties from the Roger De Haan Charitable Trust to the Charity.
Arts Programme Festivals & Events	Festival ticket and fundraised income.
Designated funds	The Trustees have designated a total of £475,875, full details are disclosed on page 35.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2022

23 Related party disclosures

The Roger De Haan Charitable Trust (RDHCT), a Charity which Sir Roger De Haan is a Trustee, donated leasehold properties valued at £1,647,500 (2021: £1,150,000), made a payment of £98,797 (2021: £39,182) to the Folkestone Artworks and a grant of £311,000 (2021: £ nil) for the Folkestone Triennial.

At the year end, the Charity owed £647 (2021: £647) to its subsidiary, The Creative Foundation (Trading) Limited.

Details of trustees' remuneration and benefits can be found in note 14.

24 Net cash flow from operations

	2022 £	2021 £
Net surplus for the year	1,018,685	1,388,811
Depreciation	248,557	240,416
Interest received	(618)	(1,940)
Decrease/(increase) in debtors	157,531	(67,224)
Decrease in creditors	(205,854)	(113,977)
Donated assets	(1,647,500)	(1,150,000)
Net cash (outflow)/inflow from operating activities	(429,199)	296,086

25 Agency arrangements

The charity administers the disbursement of the grants due to the partners of The Great Place Scheme Pioneering Places: East Kent, on behalf of National Lottery Heritage Fund. In the year, amounts were received totalling £505,214 (2021: £267,532). At the year end, a balance of £nil (2021: £91,359) was held by the charity. The scheme ended in November 2021 and did not generate any further arrangements.