

Company Registration Number: 04566484
Charity Registration Number: 1105174

CREATIVE FOLKESTONE
(A COMPANY LIMITED BY GUARANTEE)

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

Year ended 31 March 2024

CREATIVE FOLKESTONE

Report of Trustees For the year ended 31 March 2024

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 2024.

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 4 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 (resigned 30 th April 2024) Lady Alison De Haan Sir Stephen Deuchar CBE Paul Hudson Andrew Ironside Trevor Minter OBE DL (Resigned 1 st August 2023) Judith Nesbitt The Earl of Radnor David Shriver (appointed 26 th June 2024) Vanessa Stone Alastair Upton
Chief Executive	Alastair Upton
Deputy Chief Executive	Fiona Kingsman (Resigned 31 st October 2023) Sebastian Cater (Appointed 21 st November 2023)
Company Secretary	Angela Ludlow
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Solicitors	Withers LLP 20 Old Bailey, London EC4M 7AN
Bankers	NatWest Bank Folkestone Branch, Europa House 49 Sandgate Road Folkestone Kent CT20 1RU

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2024

Investment Brokers

Rathbones Investment Management
8 Finsbury Circus
London EC2M 7AZ

Website

www.creativefolkestone.org.uk

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.

CREATIVE FOLKESTONE

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For the year ended 31 March 2024

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.

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 later in this report 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 800 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 that 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.

CREATIVE FOLKESTONE

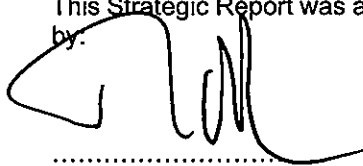
Report of Trustees

For the year ended 31 March 2024

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 23/9/24 and signed on their behalf by.



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Sir Roger De Haan – Chair of Trustees

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2024

Achievements and performance

Creative Folkestone overview

At the end of the financial year, Folkestone was named the best place to live in the South-East by *The Sunday Times*; a title which recognises over twenty years of transformational creative placemaking in the town by Creative Folkestone. The importance of Creative Folkestone's work was also recognised in Folkestone and Hythe District Council's decision, in April 2023, to partner with the organisation on a major infrastructure project Levelling Up Fund (LUF).

April 2023 also saw the start of our renewed three-year Arts Council England (ACE) funding as a National Portfolio Organisation (NPO). An ambitious, diverse and inclusive cross arts and engagement programme was presented for a wide-ranging demographic, including people of all ages and backgrounds. This reflects the ambition of our current Business Plan's (2022 – 2027) restated mission to make Folkestone a better place to live, work, study, play and visit for ALL.

In recognition of the changed economic environment, ACE allowed arts organisations to cut their output by 15% without reducing their funding commitment. In this difficult situation we reviewed our output. However, with utility prices and general inflation continuing to rise into the new financial year, changes needed to be made.

Our initial focus in 2023/24 was to embed the cost cutting measures made the year before and concentrate on income generation. Amongst other things, the Quarterhouse Performance Programme focused on more profitable events.

The decision was made to move the 6th edition of Folkestone Triennial to take place in 2025 instead of 2024. This was to align the exhibition with the town's Levelling Up project (LUF) for which Creative Folkestone is a partner.

Our Curator, Sorcha Carey, progressed her vision for the next Triennial and ended the year with all LUF artists and 70% of the rest of the artists confirmed.

The Quarterhouse Performance Programme saw a shift in emphasis from family events, theatre and dance shows to late night disco, dance and music events for a younger audience and events such as music, comedy and streaming all of which generated higher income.

While much of this work had all been started in the previous year, the main change took place in 2023/24. By year end we could see the change to the Quarterhouse Programme had generated an increase in audiences of over 60% and a financial improvement of over £100,000 a year.

The Creative Quarter remained a sought-after place attracting a wide range of increasingly high-quality artists and other creatives. Demand was particularly high for our residential and retail properties, as well as mid-priced studio and office spaces. Our portfolio comprised a total of 270 properties housed in 90 buildings. We attracted 56 new tenants in 45 properties. Average occupancy exceeded 90%.

Open Quarter returned in the summer, inviting Folkestone residents and visitors to join our annual celebration of the Creative Quarter as an amazing and inspiring place. More than 1,500 people enjoyed a weekend of live music, dance, workshops, food and drink or taking up the offer to look behind the scenes and explore the hidden creative spaces.

The Festival Fund, a joint initiative between the Roger De Haan Charitable Trust (RDHCT) and Creative Folkestone, continued to offer financial support and partnership to encourage new festivals and artistic activities centred around Folkestone's Creative Quarter for the benefit of the community and visitors to the town. Grants of up to £5,000 were made available to 14 arts organisations.

Our extensive Learning and Engagement Programme continued to enjoy immense popularity, and our offer of workshops for schools and families, as well as sessions specifically designed for young people, adults and people with special educational needs and disabilities grew. The programme comprised a total of around 250 individual sessions, gatherings and other engagement events and were taken up by 8,000 people.

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Report of Trustees

For the year ended 31 March 2024

A newly appointed Book Festival curatorial duo, Jennifer Thatcher and James Harkin, delivered the 2023 Book Festival. The intention was to be 'hyper local' and use the strong network of writers, journalists and thinkers in Folkestone to create the 10-day programme. We sold a total of 2,711 tickets to 38 events and the school engagement programme attracted an additional 1,471 children and young people.

Prospect Cottage remained a popular destination to visit throughout the year and during the 52 open days, Derek Jarman's former home was enjoyed by 1,456 people. A successful first round of residencies was completed which was followed by a second call for applications which attracted 550 submissions, 16 of which were chosen for a paid stay of up to two weeks at the cottage.

The cottage featured in the media several times and was also awarded 'Treasures of European Film Culture' status by the European Film Academy. The cottage was one of six new recipients of the award.

The Hi3 Network project officially came to an end in August 2023 with the focus on working with our partners to ensure that all of its objectives and contractual requirements were met. One of the successes and a legacy of the project was that Screen South remained a tenant supporting film and digital artists and businesses in the district.

The Metropole Collection was transferred from Creative Folkestone to the Town Council as we considered they were best placed to own and care for the works.

The Board of Trustees would like to express their appreciation for the continued generosity of its benefactors, including Art Council England (ACE), Kent County Council (KCC), Folkestone and Hythe District Council (FHDC), Canterbury Christ Church University, Saga, Hi3 Network, Le Shuttle, Linbury Trust, Lord Glendonbrook Trust, Rockefeller and Oak Foundation.

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 hard work, dedication and willingness to adapt to changing conditions, due to the energy crisis and other inflationary pressures made it possible to continue delivering an ambitious and challenging arts and performance programme.

Creative Quarter

Folkestone's Creative Quarter boasts a creative community of over eight hundred people including designers, filmmakers, musicians, web developers and artists located in the Old Town. It is made up of over ninety restored and newly constructed buildings spanning 79 residential flats, 51 retail units and 140 studios and office spaces. The area is home to many creative businesses who have created hundreds of jobs which helped to rejuvenate the local economy. All but three properties are leased by RDHCT to Creative Folkestone on a 125-year term for a peppercorn rent.

About 15% of the 270 properties changed occupancy with 25 tenants moving into residential properties, seven into retail units and 24 into studios and office spaces. There was also a demand for pop-up shops and short-term leases and a total of 10 short term rentals were arranged generating additional income.

Eleven existing tenants moved within the Quarter to adapt to a change in their business or personal requirements. Three downsized their properties while eight tenants moved to larger spaces.

Amongst those particularly successful tenants who upscaled their properties was Kitty McCall, who moved from a smaller unit on the Old High Street to a larger space on Tontine Street. This enabled *Ben's Vintage* to take a four-year lease on one of our most substantial retail spaces on the Old High Street. *Ben's Vintage* joined the Creative Quarter in 2020, and is now in its third unit. They have upscaled with each move. This type of growth demonstrates extraordinary business achievement and is an excellent example of Creative Quarter properties acting as incubation spaces for commercial enterprises.

Demand remained particularly high for our residential and retail properties, as well as mid-priced studio and office spaces. As demand for these properties started to outstrip availability, we instigated cost-effective ways to split larger, spaces for which there was less demand into smaller ones. Due to its success, we will continue with this approach to secure income, maximise occupancy levels and enable more creatives to enter the Creative Quarter.

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For the year ended 31 March 2024

The Creative Quarter Art Market continued to take place in digital:glassworks giving tenants the opportunity to network with fellow local creatives and promote their products to the public. There are plans to develop this concept into a new artist led market in 2024/25.

We continued to strengthen the relationship with our tenants through regular newsletters and consultation meetings and sessions where we sought their views and advice in order to plan this year's Open Artist Studios event which was part of the annual Open Quarter festival.

The Hi3 Network project officially came to an end in August 2023 after it was granted a two-month extension. Part-funded by the European Regional Development Fund, the project started in 2020 and successfully established a network of researchers, industry specialists and businesses under the leadership of a consortium of five partners, including Creative Folkestone.

The outcome is a legacy of support for freelancers and small businesses working in the field of moving image and screen-based technologies through access to specialist advice, space and equipment at one of the three digital hubs in Maidstone, Canterbury and Folkestone to further the development of innovative digital projects. In the Creative Quarter, this is delivered by Screen South, long term tenant at digital:Glassworks.

Open Quarter took place over a weekend in June and started with Connecting Creatives; a popular event for our tenants to showcase their work and connect with their fellow creatives. In Quarterhouse auditorium, more than 50 participants heard about developments in the Creative Quarter presented by tenants and followed by drinks and an opportunity to dive deeper into the projects.

The Saturday started with an extra edition of the Creative Quarter Art Market located in the reception and atrium area of digital:glassworks where artists, makers, designers and creatives were promoting and selling their products. Parkfest in Payers Park then welcomed music enthusiasts and families to an afternoon of live and electronic music, workshops and other outdoor activities.

The festival ended on Sunday with Open Studios & Exhibitions. More than 27 artists and other creatives opening their doors and giving the public an opportunity to see behind the scenes and wander around the studios and creative workspaces.

Learning and Engagement

At the heart of our activities is our Learning and Engagement Programme giving Folkestone residents of all ages and abilities the opportunity to develop their creativity and artistic potential. More than 250 inspiring and engaging sessions provided approximately 8,000 places.

Three terms of the Neon After School Club took place for four different age groups between the ages of 5 and 16 years. More than 240 children and young people created and developed original work that was then shared with family and friends during a special event at the end of the course. During the summer term, the oldest age group (14-16) produced a short film about their lives in Folkestone that was accepted for GENFest at The Gulbenkian in Canterbury last June.

Neon continued during the summer school holidays offering 20 participants an exciting and creative week to explore theatre, lighting, set design and sound and to learn how to develop and deliver a new theatrical experience.

The practitioner Lydia Hibbert was also back with her Young Animators Club offering three terms of four six weekly courses workshops with each term including two specially adapted series for children with Special Educational Needs (SEN). The sessions were fully booked, attracting a total of 151 participants between the ages of 8-16.

The Young Animator Summer School took place in August over three days including specific sessions for young people with SEN. Forty-seven participants between the ages of 12 and 16 worked with animators, illustrators and filmmakers to explore and experiment with stop-motion and digital animation to create music videos for local bands and musicians.

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Report of Trustees

For the year ended 31 March 2024

Fifteen free family drop-in workshops, attended by 980 people, took place in Block 67, in digital:glassworks. The sessions which were open to all ages and participants, offered the opportunity to explore a wide range of creative subjects with local artists that included film, sound, photography, flag making, collage, illustration, puppetry, dance, brass rubbing, lighting and set design, storytelling and exploring the concept of free play. Three Christmas workshops offered families the opportunity to make their own Christmas decorations, cards and lanterns.

Thirty school workshops, attended by 773 children and young people, took place with our Learning Officer who also delivered an additional six workshops to year 10 pupils from Folkestone Academy. This included workshops giving the opportunity to create large banners depicting individual and class interests, school values and positive messaging and inspired children to think about the environment.

We continued with our project with students from The Edge School of Creative Business in different aspects of our creative programme in order to give them a greater understanding of the careers available in the cultural and creative sector. One student started her work with the Head of Curatorial and was assigned to shadow London-based artist duo *Cooking Sections* throughout the research period, fabrication, planning and launch of their artwork in order to gain valuable work experience and new skills.

Six community workshops attended by a total of 72 participants were offered to various groups including Young Carers, the mental health charity South Kent Mind, Touchbase and to refugee residents of the Napier Barracks. These sessions were similar to the school workshops, but were adapted to cater for different levels and abilities.

A second term of monthly adult evening class was rolled out in June and attracted new participants. The sessions started with exploring mark making and drawing. The class started out on location to draw before working collaboratively in the studio to finalise the sketches.

In September, an Articulation Discovery Day took place in Quarterhouse that was linked to the Articulation Prize organised by the National Gallery. Thirteen students from Folkestone School for Girls were given a tour of the Folkestone Artworks to devise a presentation about the artworks with a view to entering the competition.

The Sixth Edition Folkestone Triennial

Triennial curator, Sorchia Carey, developed the theme of the exhibition which will explore the deep histories of Folkestone, its geology, the Channel and the stones and bones of the area.

Creative Folkestone work with Folkestone and Hythe District Council as the Creative Partner on the town's levelling up project. Our role was to provide artistic guidance on public infrastructure works and to commission and oversee the delivery of several art installations in the town centre. Three artists's proposals have been chosen and we are working with the Levelling Up project team and these works will be included in the 6th Triennial.

The target for the Triennial is to commission up to 20 excellent local, regional and international artists to produce new works. During the year the Triennial project team welcomed 14 artists to Folkestone and supported them with their site-specific research to identify ideas for proposals. Eight proposals were received by end of March 2024 and two local freelance project managers were assigned to approved proposals.

An outline plan was drafted for the Triennial Engagement Programme and collaboration began with local community groups, including The Edge School of Creative Business, People United, KRAN and local schools. One of the focuses has been on hard-to-reach groups and young people to inspire and engage those who feel that contemporary art 'is not for them'.

The Head of Curatorial worked with People United, and assisted with training of four young refugees to become art project managers who will then train other refugees.

CREATIVE FOLKESTONE

Report of Trustees For the year ended 31 March 2024

Folkestone Artworks

The Folkestone Artworks continued to be enjoyed by visitors, students, and many in our local community and we offered tours, walks, and talks around the artworks. Mark Dion's *Seagull* continued its role as signpost for the exhibition on the Leas and on the Harbour Arm.

We received planning consent and landowner's permissions to keep some of the artworks from Folkestone Triennial 2021 which brought the total number of artworks in the collection to 92, produced by 52 artists.

The exhibition continued to be maintained to a very high standard and regular repairs and renovations works were carried out on more than 10 artworks including Lubaina Himid's *Jelly Mould Pavilion* (2017), Hamish Fulton's *31 Walks From Water To Water 1971 – 2010* (2011), Cornelia Parker's *The Folkestone Mermaid* (2011) and Pablo Bronstein's *Beach Hut In The Style Of Nicholas Hawksmoor* (2014).

Progress was made with the Folkestone Harbour Company and specialist structural engineers in reinstating AK Dolven's *Out of Tune* (2011).

Quarterhouse

Quarterhouse, our bespoke, fully accessible performing arts venue continued to present a diverse programme of music, comedy, dance, film, festivals and was also use for community gatherings.

As our leading regional cultural hub for three rural and coastal districts with a population of over 300,000, attracted people from all backgrounds and protected characteristic groups. Its diverse programme offered something for everyone in the community, at affordable prices.

2023/24 saw the full implementation of the change in the strategic direction of our performance programme that had been agreed the year before and its success was monitored throughout the year. We are pleased to report that by the end of the financial year, 99 performances had attracted more than 15,000 people. An increase of over 60%. The newly established Quarterhouse Lates and Dance and Music Sessions alone attracted nearly 10,000 people.

Comedy

Comedy remained a top seller and one of our most popular performance categories, with six out of eight sold out performances attended by a total of 1,790 people. We secured several well-known national and international comedians including Ivo Graham and the multi-award winning Paul Foot to further consolidate Quarterhouse's reputation as a comedy venue.

Music

The Performance Team scheduled 13 live music gigs which attracted a total of 2,954 guests.

We continued to work with the Brighton based, independent live music promotion company Melting Vinyl who delivered eight live music gigs including the audio-visual artist Max Cooper, the Irish ballad group *Mary Wallopers + Nixer* and *The Unthanks*.

For our new Saturday late night dance and music events, the team established working relationships with local promoters, including *Your House or Mine & Damp Disco*, who brought international and national talent to Folkestone as well as giving local musicians a platform to develop their own performance and music style with support from our technical team. Eleven events took place and were attended by 2,700 people.

We also introduced Quarterhouse Lates, a new music platform offering DJs, producers, artists and music collectives from across Kent the chance to deliver a music set in Quarterhouse every Friday night. We focused on young upcoming artists and members of minority groups who had limited opportunities to gain experience of live performance. The Performing Arts Team supported nearly 50 events that attracted more than 7,000 people.

Live Screening

We showed seven National Theatre, six Royal Opera House live screenings and two live performances of the West End hit, *A Little Life*, filmed at the Savoy Theatre in London. The 15 live screenings were enjoyed by 1,528 people.

CREATIVE FOLKESTONE

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For the year ended 31 March 2024

Community Engagement

In addition to using our buildings as the base for our own learning programme, we also used them when we worked in partnerships with various other, supported artists' development and community engagement events. This included free use of our spaces for Folkestone's Women's Forum (12 per annum), Folkestone Food Hub (weekly), Folkestone Book Group (monthly), Artists Development (24 per annum), Yo Songsters (weekly), Young Strings (weekly in term time), Folkestone Performing Arts (weekly in term time), Confidance and Confico (weekly in term time), MCDCE Dance (monthly), Shepway Youth Group (weekly in term time).

Festivals

The call for applications to the Festival Fund was announced in January 2023 for projects to take place between April 2023 and March 2024.

We invited applicants to apply for up to £5,000 each. There were three rounds in March, April and July chosen to give time to the grantees to seek match funding if necessary. In total we received 27 applications of which 14 were successful, in total allocating £50,000.

The successful projects were - Folkestone First Timers Festival (£1,000), Music in May – Busking Out All Over (£4,000), Sacconi Music Chamber Festival (£4,000), Charivari 2023 (£4,000), fABLE Film Festival (£1,000), Folkestone Pride 2023 (£4,000), Sunny Sands Sandcastle Competition (£580), Folkestone Film Festival (£5,000), Folkestone Living Advent Calendar 2023 (£5,000), Gateway Music Festival 2024 (£5,000), SALT + EARTH Festival: Festival of Landscape, Seascape & Environment (£5,000), Queens on the Block/Last Fridays (£5,000), Living Music (£3,000), Take up Space (£3,420).

Below are some of the highlights described in more detail.

SALT & EARTH: Festival of Landscape, Seascape & Environment

SALT + EARTH returned on 8 – 10 September 2023. The weekend consisted of the sixth iteration of the festival and continued the collaboration between Folkestone Fringe, Creative Folkestone and Kent Downs Area of Outstanding Natural Beauty (ANOB).

The weekend consisted of a rich programme of discussions, exhibitions, film, dancing, live art, walks, workshops, experiences for families and children, swimming and eating. The participating artists were invited to share, with audiences, an understanding of the unique landscape of the Kent Downs, why they are internationally important, imbuing the people of Kent with an excitement about their distinctiveness and supporting Kent Downs ANOB's aspiration to achieve UNESCO Global Geopark Status.

An audience of 1,033 was recorded and many thousands more were reached through the social media channels Facebook, X and Instagram.

Folkestone Living Advent Calendar 2023

Folkestone Living Advent Calendar (FLAC) was established by Jim Jam Arts, a Folkestone-based theatre company specialising in projects, performances and events that are for, by and with the local community.

Each evening from December 1st to the 24th, a different door in town was opened to reveal a unique, live performance. A wide range of artists and collectives were commissioned to deliver a diverse programme ranging from modern dance to an improvised musical, from big bands and opera to cabaret, puppetry and art installations.

The festival attracted a wide cross-section of audiences which were enhanced by the organisers working with 24 community groups many of whom supported people who have had difficulties building relationships within the community. Twelve new venues were used, broadening the reach of the festival to Cheriton and Sandgate, showcasing more of what Folkestone and the district had to offer.

The events were attended in-person by 4,298 people, and more than 25,000 online, and the website had over 3,000 visitors.

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Folkestone Book Festival

Every Autumn, Creative Folkestone hosts the Folkestone Book Festival which first started in 1982 as Kent Literary Festival. For 10 days in November, books and ideas took over the town with discussions taking place between renowned authors, journalists and thinkers in front of a diverse audience of all ages and interests.

The 2023 festival's emphasis was on engaging local talent. The newly appointed, locally based, curator duo Jennifer Thatcher and James Harkin, received editorial support from a group of writers and readers from Folkestone.

The festival focussed on global concerns and explored issues which were scrutinised through a hyper-local lens and discussed by over 70 writers and personalities, including Yomi Adegoke, Reverend Fergus Butler-Gallie, Jeremy Deller, Jane Glover, Henry Jeffreys, Sally Hayden, Bruce Ingman, Kim-Joy, Theo Padnos, Celia Pym, Nikky Smedley, Frances Tophill, Alice Vincent and Jackie Wilks.

2,711 tickets were sold for 38 events and the school engagement programme attracted 1,471 children and young people.

The programme was jam-packed with eclectic and thought-provoking events which included a wide range of writing genres, fiction, poetry, history, science, biography, topics of this time and place, nature, pollution and refugees. It highlighted many of the authors everyday interests such as food, wine, dogs, fashion, gardening, sewing and crafting.

As in previous years, the festival opened with our traditional switching on of the Creative Quarter Christmas Lights inviting Folkestone residents and visitors to get into the festive spirit and enjoy the winterly magic of the Quarter. This time the lights were switched on by British baker and cookbook writer Kim-Joy who then went to the Quarterhouse to discuss writing, baking and mental health with illustrator Nicola Sheen.

The Book Festival's talks and workshops aimed at adults were complemented by a comprehensive, free schools programme intended to inspire a future generation of authors, readers and thinkers. Four well-known authors and writers presented events for children and young people from 12 primary and 5 secondary schools from Folkestone and the surrounding area. The author, and one-time Teletubby, Nicky Smedley, joined a family workshop that invited children to make crowns to then use them to develop and tell stories.

Folkestone Book Festival was sponsored by Saga, Le Shuttle and Canterbury Christ Church University. We thank them for their generous support.

Prospect Cottage

Prospect Cottage, situated on the shoreline of Dungeness, was the coastal sanctuary of artist, film maker and gay activist Derak Jarman, from 1986 to 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.

As custodian of the cottage and garden, we continued to offer visits to the public where guides gave people the opportunity to have a unique insight into Jarman's remarkable life and work.

Public demand to visit Prospect Cottage remained strong and, during the 52 open days, it was enjoyed by 1,456 people. Our survey showed that over 90% of visitors had an excellent experience and considered the format of the tour to be well designed and well delivered.

The Prospect Cottage Team continued with their conservation work to protect and maintain the cottage and garden. They were supported by independent conservation experts who gave advice on future maintenance and the conservation of Jarman's paintings, assemblages and sculptures. With this support and that of the Prospect Cottage Advisory Sub-Committee, the team began the work of drawing up a detailed action plan to ensure the building and the artworks are maintained to the highest standard.

The well-known gardener Jonny Bruce continued to tend the garden. As in previous years, he organised weekends where students were offered the chance to gain in-depth knowledge of the famous garden and its design.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2024

Following the successful completion of the first Residency Programme a second and third were advertised in September 2023.

Over 550 applications were received. The Prospect Cottage Residency Advisory Panel, chaired by Tacita Dean, selected 16 successful applicants for a paid stay of up to two weeks. The programme commenced in January 2024 and, by the end of March, six residencies have taken place.

In addition to the residencies, six successful applicants to the Research and Development Programme spent a day at the cottage. This programme was available to academics, artists, writers, researchers, gardeners, environmentalists, and other creatives to learn more about Derek Jarman, his art, books and the garden.

We are very grateful to the Linbury Trust, Lord Glendonbrook and Rockefeller Trust for their generous contributions to the Residency Programme.

In December we presented, in collaboration with the British Film Institute, video installations by Michael Powell, Derek Jarman, Victor Burgin and Adebukola Buki Bodunrin, along with reproductions on paper of designs from Powell's unmade *Tempt* along with Derek Jarman's completed film of *The Tempest*. The work was presented in five rooms in the cottage and highlighted the influence Powell and Pressburger had on Derek Jarman, a great admirer of this legendary film-maker partnership. The event sold out with 92 people visiting the exhibition.

In February 2024 in memoriam of Derek Jarman's death 30 years ago we streamed a 3-hour film of the sunset at Prospect Cottage together with a link to a Spotify playlist on YouTube. Music was chosen from the collection of 200 CDs that were owned by Derek Jarman and his long-term companion Keith Collins.

An audience of 2,359 people from around the world including Tasmania, Canada, and California attended the session (the link to the Spotify playlist remains live).

The cottage was featured in the media several times and was awarded 'Treasures of European Film Culture' status by the European Film Academy. They already recognise Prospect Cottage as 'a place of historical value that need to be maintained and protected not just now, but for generations to come'.

Diversity

Diversity and equality are embedded in all Creative Folkestone activities in order that everyone in the community, irrespective of their racial and social background and ability, has the chance to have a full cultural and creative life. We believe that the more we embrace diversity, the richer our results will be.

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

We continue to try to better understand what the barriers to attendance were. We took action to develop and grow relationships and we reached out to, and involved, local communities in our work.

Environment

Creative Folkestone continued to monitor its environmental performance with the intention of reducing waste, consumption of energy, water and, where reduction was not possible, to find a sustainable solution.

The aims and objectives were described in detail in our redrafted Environmental Action Plan and Policy. The framework of the plan follows the recommendations of the Theatre Green Book which outlines sustainable standards for theatre buildings, productions and operations.

Throughout the year environmental data was collected using the Creative Climate Tools, a free online carbon calculator developed by the environmental charity, Julie's Bicycle, to measure and understand the environmental impact of our performance space, Quarterhouse.

Creative Folkestone's overall environmental impact was 64 tonnes CO₂e, down from 104 tonnes the previous year. Of this, 34 tonnes related to energy use which remained the same as in the previous year, water and sewage were slightly down to 273kg compared to 280kg, waste was up at 21 tonnes compared to 13 tonnes, and audience travel was reduced to 10 tonnes CO₂e compared to 56 tonnes the previous year. The carbon footprint from audience travel was shown to be significantly reduced despite audience

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numbers increasing. The reason was that we gathered information through a survey of how our audiences travelled. Last year we used the default measures used by July's Bicycle in previous years.

It is important to note that although the energy use remained the same, nearly a third of the electricity (25,714kWh) was produced sustainably from our newly installed solar panels on the Quarterhouse roof. This provided a huge saving of £7,000 (17,000 kWh) in the period July – September compared to the same period in the previous year.

Press and Media

In the year there was a great deal of press and media coverage that highlighted Folkestone as a great place to live, work, play, study and visit for all. Most notably in March Folkestone was awarded 'the best place to live in the UK' by the Sunday Times acknowledging the success in cultural placemaking at its centre.

A total of 37 press and media items were secured, some of them published through channels with significant audience. In addition, we also secured TV coverage with programmes due to be released later in 2024.

For the first time we employed PR support to promote our work at Prospect Cottage and the specific events are organised there. This included the Powell and Pressburger event, in partnership with the British Film Institute, and our digital event marking 30 years since Jarman's death. Both of these events provided a platform for us to speak about Prospect Cottage and elevate Creative Folkestone's profile.

Press highlights 2023/24:

- BBC Travel
17 Apr 2023, A new life for Britain's seaside towns by Andrew Eames
Instagram Followers: 1.6 million
<https://www.bbc.com/travel/article/20230416-a-new-life-for-britains-seaside-towns>
- The Spectator
3 Jul 2023, Move over Brighton: is Folkestone the next coastal property hotspot? by Liz Rowlinson
Online monthly readership: 2 million
<https://www.spectator.co.uk/article/move-over-brighton-is-folkestone-the-next-coastal-property-hotspot/> -
- Design Week
1 Dec 2023, Tracing the design legacy of Powell and Pressburger's films by Sophie Tolhurst
Paying readers: 11,000
<https://www.designweek.co.uk/powell-and-pressburger-film-design-legacy/>
- The World of Interiors
19 Feb 2024, THE DIRECTOR'S HUT by James Graham
Total readership: 152,000
<https://www.worldofinteriors.com/story/derek-jarman-prospect-cottage>
- Daily Mail
23 Feb 2024, Folkestone dubbed the new Whitstable after undergoing a dramatic transformation by Fred Redwood
Daily readership: 2.18 million
<https://www.dailymail.co.uk/property/article-13114693/Folkestone-dubbed-new-Whitstable-undergoing-dramatic-transformation.html>
- The Express
25 Feb 2024, The beautiful seaside town once rundown but now transformed by £100m revamp by Max Parry
Daily readership: 150,000
<https://www.express.co.uk/news/uk/1868339/beautiful-uk-seaside-town-folkestone-revamp>

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- The Times
15 Mar 2024, Folkestone, Kent, named best place to live in southeast England 2024
by Tim Palmer
Daily readership: 1 million
<https://www.express.co.uk/news/uk/1868339/beautiful-uk-seaside-town-folkestone-revamp>

Future Plans

2024/25 is the second year of ACE NPO three-year funding and we will continue to build on and embed the ACE investment principles of Inclusivity and Relevance, Environmental Responsibility, Dynamism, and Ambition and Quality into everything that we do.

KCC (Kent County Council) has moved Folkestone Library to a temporary site and the old Grade II listed Folkestone Library building, built in 1888 and sited on the boundary of our Creative Quarter, is now empty and at risk. Creative Folkestone discussed a plan with KCC that could have allowed the library to remain in its building and we are hopeful that the plan may still be viable and be accepted by the county council. We intend to launch a campaign to *Keep The Library Alive* called FOLKESTONE IS A LIBRARY with the aim of identifying Folkestone as a town where a love for literature thrives.

In response to the closure of the library building, we are reimagining Folkestone as a living, breathing library. Working with Bob and Roberta Smith once again, we will be creating a graphic for FOLKESTONE IS A LIBRARY (FIAL), which we hope to release when we launch our campaign at this year's Book Festival in November.

We will start a conversation with our community leaders, readers, writers, borrowers, lenders, activists, learners, and teachers to find out what libraries mean to them. Our intention is that as a result of this work we will be able to develop a programme to keep the spirit of the library alive. Our new Curator of Books, Ideas and Community, Sophie Haydock, will oversee the campaign and the programme around it. Sophie is an author, journalist and a Folkestone resident.

The Creative Quarter Team will continue their efforts to maintain tenancy occupancy at over 90%. The Creative Quarter remains a sought-after location for artists and other creatives and we will continue to adapt our properties to respond to the changing demand in retail and office spaces in order that we keep attracting high-quality and promising applicants.

We will continue to support the community in the Creative Quarter by providing business opportunities for our tenants whenever we can, and delivering a programme of networking and skill-sharing events. Our tenants will be given the opportunity to be involved in our shaping community events such as Open Quarter and the Creative Quarter Market.

We will continue to aim at growing high standards of maintenance throughout the year responding swiftly to any issues raised. The Creative Quarter team will continue to lead on the environmental impact work driving lower use of utility and exploring opportunities for green energy production.

Our Learning and Engagement programme will continue with its work of delivering a wide range of workshops, including Neon After School Club, Young Animators and free family drop-in sessions. The school programme will strengthen its relationships with local schools and Higher Education Institutions and continue to expand its efforts with hard-to-reach students. The new adult art classes that were tested in 2023 will be continued as will the work with community groups such as Mind, Touchbase and the refugees housed in Napier Barracks.

Plans for the sixth edition of the Folkestone Triennial are advancing well, under the leadership of the curator, Sorcha Carey and the selection of up to 20 artists for the exhibition will be completed and the artworks commissioned. Production of some of the artworks has already started.

Details of the exhibition route will be mapped out and work on submitting the planning applications for the artworks will start. The plans for the Triennial Engagement Programme will be finalised and the Triennial project team will continue to engage with community groups and individuals.

2024/25 will be the second year of our new Quarterhouse programme with its emphasis on music, late nights, streaming and comedy, all of which have shown to increase audience numbers and income. We

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Report of Trustees

For the year ended 31 March 2024

will continue to develop our relationships with agents and promoters to enable us to expand the programme. We will also be testing the viability of bringing back family shows, film and theatre to Quarterhouse.

We will continue to work in partnership with the RDHCT to support local creative organisations and individuals with grants from the Festivals Fund with a focus on diversity and inclusion of underrepresented groups and to delivering high quality creative activity.

Our Prospect Cottage team will continue to offer public visits. They will deliver the residencies, selected in 2023, in Derek Jarman's home in short-term Research and Development artist visits. The maintenance programme will continue to ensure the cottage and its contents are cared for and Derek Jarman's legacy protected for future generations.

Over the next year the overarching objective for all our activities will be to continue to help Folkestone's transformation. Our creative placemaking will continue to benefit the whole community in order to make Folkestone a better place to live, work, study, play and visit 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 2024, the Charity achieved a surplus of £422,497 (2023: £85,973).

The majority of the surplus came from funds donated to the 2025 Folkestone Triennial and will be reserved for the exhibition.

As a response to the challenges of high levels of inflation and the high rises in the cost of, insurance, utilities and building maintenance the Charity reduced its costs, wherever possible, while continuing to provide support to its staff and tenants. The Charity, which had been taking steps to build up its cash reserves, improved its resilience during the year.

The Charity held long leasehold properties with a balance sheet value at 31 March 2024 of £15.2 million. These properties are owned by the Roger De Haan Charitable Trust and leased to Creative Folkestone at a peppercorn rent for 125 years. They provide a rental income for the Charity which is used to satisfy its charitable objectives.

These properties will only be rented for creative and educational purposes, and their capital value may never be realised by the Charity.

The high level of restricted funds shown in the balance sheet as at 31 March 2024 relates principally to properties in the Creative Quarter.

The organisation has agreed with the Arts Council to deliver a set of objectives and focuses its performance to deliver them. In addition, it has set a number of high level financial KPI's and it ensures, through its reporting and governance structures, that its performance is scrutinised regularly.

Reserves policy

Since 2016, the charity has built a cash reserve in addition to its property assets. As a result of a risk-based assessment of need the Creative Folkestone Board of Trustees has set a target range of between £250,000 and £400,000 for its free reserves. This figure was raised temporarily, to £600,000 in response to the difficult economic environment. The reserves are set out in note 22 of the financial statements. An update of the reserves policy will be conducted once a more normal economic environment is reestablished.

Designated funds

Each Folkestone Triennial incurs costs beyond the charity's usual annual expenditure. In the years between preparation for the Triennials the Board designates reserves for future exhibitions. The cost of a Triennial is circa £2,300,000.

The Trustees have designated a total of £652,363 to Triennial 2025. A further £248,000 is designated to the 2028 Triennial.

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Investment policy

During the year the charity looked to maximise its income whilst taking a low risk on its investment. It purchased a £1,100,000 Treasury Gilt that will mature in January 2025 and kept minimal funds for working capital in its NatWest interest account and placed the balance with a Rathbones Bank Time 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 were held to review progress towards achieving the Charity's objectives. The Senior Management Team regularly addressed the schedule of risks identified by the Trustees and put in place procedures and controls to ensure those risks were adequately managed. The principal risks were a) economic downturn b) loss of key Board members and staff and c) failure to hit earned income and fundraising targets. The mitigating actions were identified in Creative Folkestone's business plan, including setting aside appropriate reserves, good property management, succession planning and investing in fundraising.

Equal opportunities and diversity policy

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

The Charity ensured that the buildings it occupied complied with the statutory regulations in place in relation to disabled access.

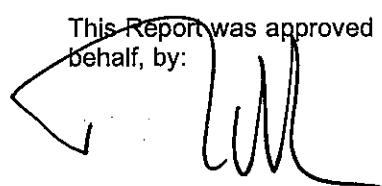
Auditor

In accordance with the charitable company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor will be put at a General Meeting.

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 4 in accordance with section 414c(11) of the Companies Act 2006.

This Report was approved by the Board of Trustees on 23/9/24 and signed on their behalf, by:



Sir Roger 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 2024 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 2024 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 judgements 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

4 November 2024

CREATIVE FOLKESTONE

Statement of Financial Activities (Including Income and Expenditure Account)

For the year ended 31 March 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total Funds £	2023 Total Funds £
Income from:					
Donations and legacies	3	4,962	50,000	54,962	40,481
Charitable activities	4	2,487,699	291,651	2,779,350	2,628,745
Other trading activities	5	199,567	-	199,567	118,918
Investments	6	44,538	-	44,538	5,270
Total income		<u>2,736,766</u>	<u>341,651</u>	<u>3,078,417</u>	<u>2,793,414</u>
Expenditure on:					
Raising funds		164	-	164	-
Charitable activities	7	2,266,038	318,366	2,584,404	2,662,422
Other trading activities	10	77,666	-	77,666	45,019
Total expenditure		<u>2,343,868</u>	<u>318,366</u>	<u>2,662,234</u>	<u>2,707,441</u>
Net income		392,898	23,285	416,183	85,973
Transfers between funds		-	-	-	-
Gains on investments	16	6,314	-	6,314	-
Net movement in funds		<u>399,212</u>	<u>23,285</u>	<u>422,497</u>	<u>85,973</u>
Total funds at 1 April		1,428,658	19,467,253	20,895,911	20,809,938
Total funds at 31 March		<u>1,827,870</u>	<u>19,490,538</u>	<u>21,318,408</u>	<u>20,895,911</u>

CREATIVE FOLKESTONE

Balance Sheet

At 31 March 2024

Company Registration Number: 04566484

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	14	19,612,193	19,680,486
Heritage assets	15	-	53,400
Investment in subsidiary	17	1	1
		<hr/> 19,612,194	<hr/> 19,733,887
Current assets			
Investments	16	1,623,809	-
Debtors	18	177,009	204,545
Cash at bank and in hand		363,511	1,398,391
		<hr/> 2,164,329	<hr/> 1,602,936
Creditors: amounts falling due within one year	19	(458,115)	(440,912)
Net current assets		<hr/> 1,706,214	<hr/> 1,162,024
Net assets		<hr/> 21,318,408	<hr/> 20,895,911
Funds			
Unrestricted funds	22	1,827,870	1,428,658
Restricted funds	22	19,490,538	19,467,253
Total funds		<hr/> 21,318,408	<hr/> 20,895,911

The financial statements on pages 21 to 37 were approved by the board and authorised for issue on

23/9/24

..... 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 2024

	Notes	2024 £	2023 £
Cash from operating activities:			
Net cash generated from operating activities	24	581,047	296,653
Interest received		44,538	5,270
Cash generated from operations:		<u>625,585</u>	<u>301,923</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(42,970)	-
Net (purchase)/sale of other investments		(1,598,774)	-
Cash used in investing activities:		<u>(1,641,744)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		<u>(1,016,159)</u>	<u>301,923</u>
Cash and cash equivalents 1 April		1,398,391	1,096,468
Cash and cash equivalents 31 March		<u>382,232</u>	<u>1,398,391</u>
Relating to:			
Cash at bank and in hand		363,511	1,398,391
Current asset investments		18,721	-
		<u>382,232</u>	<u>1,398,391</u>

CREATIVE FOLKESTONE

Notes to the Financial Statements For the year ended 31 March 2024

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 at least 12 months from signing these financial statements. 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 stress testing of the Charity's financial position has satisfied the Trustees that it has adequate reserves and mitigation strategies available to deal with issues as they unfold. The cash position is strong, the Charity has no debt, the rental income has so far held up well. Funding from the Arts Council has been secured for the next two years. The Trustees recognise that 2024/2025 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 items(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 2024

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. During the year, the artwork was donated to Folkestone Town Council.

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 2024

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	150 years straight line
Long leasehold and leasehold improvements	250 years straight line
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).

Investments

Listed investments are stated at market value in the balance sheet with net gains and losses on revaluation and disposal being taken to the Statement of Financial Activities.

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 2024

2 Accounting estimates and areas of judgement

In application of the Charity's accounting policies, the Trustees are required to make judgements, 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 judgements

Heritage assets

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

During the year The Metropole Collection was transferred to the Town Council who are best placed to own and care for the works. The remaining Heritage Asset, known as "Art Buff" remains in the care of Creative Folkestone and is considered to have no quantifiable monetary value.

3 Donations and legacies	2024 £	2023 £
Restricted		
Roger De Haan Charitable Trust: Folkestone Festivals Fund	50,000	34,000
Total restricted	<u>50,000</u>	<u>34,000</u>
Unrestricted		
Other	4,962	6,481
Total unrestricted	<u>4,962</u>	<u>6,481</u>
Total donations and legacies	<u>54,962</u>	<u>40,481</u>

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2024

4 Charitable activities

	Rental income £	Grants £	Other sources of income £	Total £
Creative Quarter	1,550,744	-	-	1,550,744
Folkestone Triennial	-	-	455,765	455,765
Folkestone Artworks	-	-	85,800	85,800
Prospect Cottage	-	-	130,714	130,714
Quarterhouse	13,437	66,651	101,713	181,801
Arts Programme Festivals and events	-	-	26,966	26,966
Learning & Engagement	-	-	20,652	20,652
Development	-	270,360	56,548	326,908
2024 Total activities	<u>1,564,181</u>	<u>337,011</u>	<u>878,158</u>	<u>2,779,350</u>
2023 Total activities	<u>1,509,713</u>	<u>342,698</u>	<u>776,334</u>	<u>2,628,745</u>

Of the £2,779,350 income received in the period to 31 March 2024, £291,651 was attributable to restricted funds and £2,487,699 was attributable to unrestricted funds.

Of the £2,628,745 income received in the period to 31 March 2023, £25,000 was attributable to restricted funds and £2,603,745 was attributable to unrestricted funds.

5 Other trading activities

	Unrestricted	
	2024 £	2023 £
Bar income	135,468	62,528
Parking income	42,407	35,635
Film and other sundry income	21,692	20,755
	<u>199,567</u>	<u>118,918</u>

6 Investments

	Unrestricted	
	2024 £	2023 £
Deposit account interest	26,880	5,270
Income from investments	17,658	-
	<u>44,538</u>	<u>5,270</u>

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2024

7 Charitable activities

	Direct Costs £	Grants & donations payable £	Support costs £	Total £
Creative Quarter	936,076	-	260,094	1,196,170
Arts programme festivals and events	66,058	50,000	19,900	135,958
Folkestone Triennial	95,495	-	28,768	124,263
Folkestone Artworks	78,123	53,400	23,534	155,057
Prospect Cottage	80,380	-	24,214	104,594
Quarterhouse	529,363	-	209,430	738,793
Learning & Engagement	39,931	-	12,029	51,960
Development	77,609	-	-	77,609
2024 Total activities	1,903,035	103,400	577,969	2,584,404
2023 Total activities	2,039,404	34,000	589,018	2,662,422

Of the £2,584,404 charitable activities expenditure in the period to 31 March 2024, £318,366 was attributable to restricted funds and £2,266,038 was attributable to unrestricted funds.

Of the £2,662,422 charitable activities expenditure in the period to 31 March 2023, £161,452 was attributable to restricted funds and £2,500,970 was attributable to unrestricted funds.

8 Grants and donations payable

	Unrestricted 2024 £	2023 £
Arts programme festivals and events	50,000	34,000
Folkestone Artworks	53,400	-
	103,400	34,000

The £53,400 within grants and donations payable above relates to the donation of the Heritage assets to the Folkestone Town Council (see note 15).

9 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.

10 Other trading activities

	Unrestricted 2024 £	2023 £
Bar expenditure	77,666	45,019

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2024

	2024 £	2023 £
11 Auditor's remuneration		
Audit services – statutory audit of the Charity	26,000	24,750
Other services:		
Auditor's non-audit services	6,650	6,350
	<u>32,650</u>	<u>31,100</u>
12 Net income	2024 £	2023 £
This is stated after charging:		
Depreciation	111,263	104,265
	<u>111,263</u>	<u>104,265</u>
13 Staff costs and remuneration of key management personnel	2024 £	2023 £
Wages and salaries	793,287	807,121
Social security costs	68,186	78,194
Pension costs	70,168	72,923
	<u>931,641</u>	<u>958,238</u>
The average monthly number of employees during the year was as follows:	2024 no.	2023 no.
Creative Quarter	5	4
Arts programme festivals and events	1	1
Development	1	2
Marketing	2	3
Learning and engagement	1	1
Management and administration	5	5
Quarterhouse	2	3
Triennial	1	1
Visitor Experience	6	5
Prospect Cottage	1	1
	<u>25</u>	<u>26</u>
The number of employees whose emoluments for the year fell within the following bands was:		
£90,001 – £100,000	<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 £13,538 (2023: £12,825).

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued)

For the year ended 31 March 2024

13 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 £95,449 (2023: £90,699) and pension contributions for the period of £13,538 (2023: £12,825). Mr A Upton was also reimbursed expenses in his role as Chief Executive Officer totalling £3,815 (2023: £2,771) which relate to travel, subsistence and telephone costs.

The Deputy Chief Executive Officer, from 21 November 2023 was Mr S Cater. Remuneration and benefits for his services in that office, through an employment contract with the Charity, of £18,733 (2023: £Nil) and pension contributions for the period of £260 (2023: £Nil).

The Deputy Chief Executive Officer, to 31 October 2023 was Mrs F Kingsman. Remuneration and benefits for her services in that office, through an employment contract with the Charity, of £32,602 (2023: £52,775) and pension contributions for the period of £3,260 (2023: £5,278).

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 2024

14	Tangible fixed assets	Freehold property £	Long leasehold and leasehold improvements £	Plant and machinery £	Furniture & Fixtures £	Computer equipment £	Total £
	Cost						
	At 1 April 2023	5,992,909	16,579,329	129,223	9,595	24,978	22,736,034
	Additions	-	-	42,970	-	-	42,970
	At 31 March 2024	5,992,909	16,579,329	172,193	9,595	24,978	22,779,004
	Depreciation						
	At 1 April 2023	1,542,092	1,349,660	129,223	9,595	24,978	3,055,548
	Charge for the year	39,952	64,313	6,998	-	-	111,263
	At 31 March 2024	1,582,044	1,413,973	136,221	9,595	24,978	3,166,811
	Net book value						
	31 March 2024	4,410,865	15,165,356	35,972	-	-	19,612,193
	31 March 2023	4,450,817	15,229,669	-	-	-	19,680,486

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2024

15 Heritage assets	Total £
Market value	
At 1 April 2023	53,400
Disposal	(53,400)
At 31 March 2024	<u>-</u>
Net book value	
At 1 April 2023	<u>53,400</u>
At 31 March 2024	<u>-</u>

During the year, the heritage assets known as The Metropole Collection was transferred to Folkestone Town Council and is included within note 8, grants and donations payable. Art Buff, remained with the Charity but is considered to have no quantifiable monetary value.

16 Investments	Listed Investments £
Market value	
At 1 April 2023	-
Net additions	1,598,774
Gain on investments	6,314
	<u>1,605,088</u>
Cash	18,721
At 31 March 2024	<u>1,623,809</u>
Net book value	
At 1 April 2023	<u>-</u>
At 31 March 2024	<u>1,623,809</u>

The historical cost of the investments is £1,600,000.

17 Investment in subsidiaries	Shares in group undertakings £
Market value	
At 1 April 2023 and 31 March 2024	<u>1</u>
Net book value	
At 1 April 2023 and 31 March 2024	<u>1</u>

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2024

17 Investment in subsidiaries (continued)

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

	Registered Office	Class of share	% held Directly	% held 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

	2024 £	2023 £
Trade debtors	44,211	10,710
Other debtors	48,998	40,783
VAT	-	8,498
Prepayments and accrued income	83,800	144,554
	<u>177,009</u>	<u>204,545</u>

19 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	99,470	138,122
Amounts owed to group undertakings	647	647
Social security and other taxes	21,096	15,738
Other creditors	171,967	148,440
Accruals	75,330	82,042
Deferred income (note 19a)	89,605	55,923
	<u>458,115</u>	<u>440,912</u>

19a Deferred income

	2024 £	2023 £
Deferred income as at 1 April	55,923	99,265
Income received requiring deferment	89,605	55,923
Release of income during the year	(55,923)	(99,265)
	<u>89,605</u>	<u>55,923</u>
Deferred income as at 31 March		

Deferred income of £48,218 (2023: £41,934) represents income received in advance for property rentals, £41,387 (2023: £13,989) 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 £70,168 (2023: £72,923). The total contributions outstanding at the year-end were £Nil (2023: £Nil).

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2024

21	Analysis of net assets between funds – 31 March 2024	Unrestricted funds £	Restricted funds £	Total Funds 2024 £	Total funds 2023 £
	Fixed assets	247,392	19,364,801	19,612,193	19,733,886
	Investments in subsidiary	1	-	1	1
	Current assets	2,038,592	125,737	2,164,329	1,602,936
	Current liabilities	(458,115)	-	(458,115)	(440,912)
		1,703,607	19,490,538	21,318,408	20,895,911
	Analysis of net assets between funds – 31 March 2023	Unrestricted funds £	Restricted funds £	Total Funds 2023 £	Total funds 2022 £
	Fixed assets	266,633	19,467,253	19,733,886	19,838,151
	Investments in subsidiary	1	-	1	1
	Current assets	1,592,936	10,000	1,602,936	1,386,854
Current liabilities	(430,912)	(10,000)	(440,912)	(415,068)	
	1,428,658	19,467,253	20,895,911	20,809,938	
22	Movement in funds		At 31 March 2023 £	Net movement in funds £	At 31 March 2024 £
	Unrestricted funds				
	General fund		654,826	61,263	716,089
	Designated funds		560,601	339,762	900,363
	Freehold property		213,231	(1,813)	211,418
			1,428,658	399,212	1,827,870
	Restricted funds				
	Triennial		-	125,737	125,737
	Freehold properties		4,237,586	(38,139)	4,199,447
	Leasehold properties		15,229,667	(64,313)	15,165,354
			19,467,253	23,285	19,490,538
	Total funds		20,895,911	422,497	21,318,408

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2024

22 Movement in funds (continued)

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

	Income	Expenditure	Gain on investments	Transfer	Movement in funds
	£	£	£	£	£
Unrestricted funds					
General fund	2,736,766	(2,242,055)	6,314	(439,762)	61,263
Designated funds	-	(100,000)	-	439,762	339,762
Freehold property	-	(1,813)	-	-	(1,813)
	<u>2,736,766</u>	<u>(2,343,868)</u>	<u>6,314</u>	<u>-</u>	<u>399,212</u>
Restricted funds					
Solar panels	16,651	(16,651)	-	-	-
Triennial	250,000	(124,263)	-	-	125,737
Quarterhouse	25,000	(25,000)	-	-	-
Freehold Property	-	(38,139)	-	-	(38,139)
Leasehold Properties	-	(64,313)	-	-	(64,313)
Arts Programme	50,000	(50,000)	-	-	-
Festivals & Events					
	<u>341,651</u>	<u>(318,366)</u>	<u>-</u>	<u>-</u>	<u>23,285</u>
Total funds	<u>3,078,417</u>	<u>(2,662,234)</u>	<u>6,314</u>	<u>-</u>	<u>422,497</u>

Details on funds are as follows:

Solar Panels	Money received to install solar panels at the Quarterhouse Performing Arts Centre.
Triennial	Money raised to organise the Triennial festival.
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 £652,363 to Triennial 2025. A further £248,000 is designated to the 2028 Triennial.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2024

23 Related party disclosures

The Roger De Haan Charitable Trust (RDHCT), a charity of which Sir Roger De Haan is a Trustee, made a payment of £85,800 (2023: £101,439) to the Folkestone Artworks.

At the year end, the Charity owed £647 (2023: £647) to its subsidiary, The Creative Foundation (Trading) Limited.

Details of trustees' remuneration and benefits can be found in note 13.

24 Net cash flow from operations	2024 £	2023 £
Net surplus for the year	422,497	85,973
Gain on investments	(6,314)	-
Loss on disposal of heritage assets	53,400	-
Depreciation	111,263	104,265
Investment income	(44,538)	(5,270)
Decrease in debtors	27,537	85,841
Increase in creditors	17,202	25,844
Net cash inflow from operating activities	<u>581,047</u>	<u>296,653</u>