# THE HABBIT FACTORY

England & Wales · Charity number 1162418

## Details

| | |
|---|---|
| **Other names** | NONE |
| **Status** | Registered |
| **Legal form** | Other |
| **Registered** | 2015-06-26 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | The Habbit Factory<br>Queens Theatre<br>Billet Lane<br>Hornchurch<br>Essex<br>RM11 1QT |
| **Phone** | 07985 377781 |
| **Email** | hello@thehabbitfactory.org |
| **Website** | www.thehabbitfactory.org |

## Activities

**Objects:** TO ADVANCE PARTICIPATION AND EDUCATION OF CHILDREN AND ADULTS IN ALL ASPECTS OF THE PERFORMING ARTS THROUGH THE PROVISION OF WORKSHOPS AND OPPORTUNITIES TO PARTICIPATE IN PRIVATE AND PUBLIC ARTISTIC PERFORMANCES, INCLUDING BUT NOT LIMITED TO, EDUCATIONAL PARTNERSHIPS WITH SCHOOLS/COLLEGES, SIMILAR CHARITABLE ORGANISATIONS, AND OTHER FUNDRAISING ACTIVITIES AS THE BOARD OF TRUSTEES MAY FROM TIME TO TIME DECIDE.

**Activities:** The Habbit Factory is an inclusive arts organisation in The London Borough of Havering. Welcoming all, and working with some of the most excluded and disadvantaged children, young people and adults in the area. Through a targeted network of partners, our work helps people who do not see themselves as artists or have access to any creative engagement or provision.

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## Classification

- **How:** Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Disability, Arts/culture/heritage/science
- **Who:** Children/young People, People With Disabilities, Other Defined Groups, The General Public/mankind

## Geography

- Havering

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £190,677 | £185,648 | - | - |
| 2024-03-31 | £151,211 | £149,993 | - | - |
| 2023-03-31 | £101,243 | £97,694 | - | - |
| 2022-03-31 | £72,450 | £58,064 | - | - |
| 2021-03-31 | £9,571 | £16,546 | - | - |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **Robert Lithgow** | Chair | 2021-04-01 |
| Andrew Bennett | | 2026-02-25 |
| Dimple Pau | | 2025-04-01 |
| Georgina Hart | | 2021-04-01 |
| Guleraana Mir | | 2021-04-01 |
| KIERAN O'CALLAGHAN | | 2013-07-17 |
| Makola Mayambika | | 2024-04-01 |
| Neera Dhir | | 2024-04-01 |
| Timothy Steel | | 2021-04-01 |

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**THE HABBIT FACTORY**

England & Wales - Charity number 1162418

# Accounts



# Annual Report 24-25

Charity Number 1162418

www.thehabbitfactory.org

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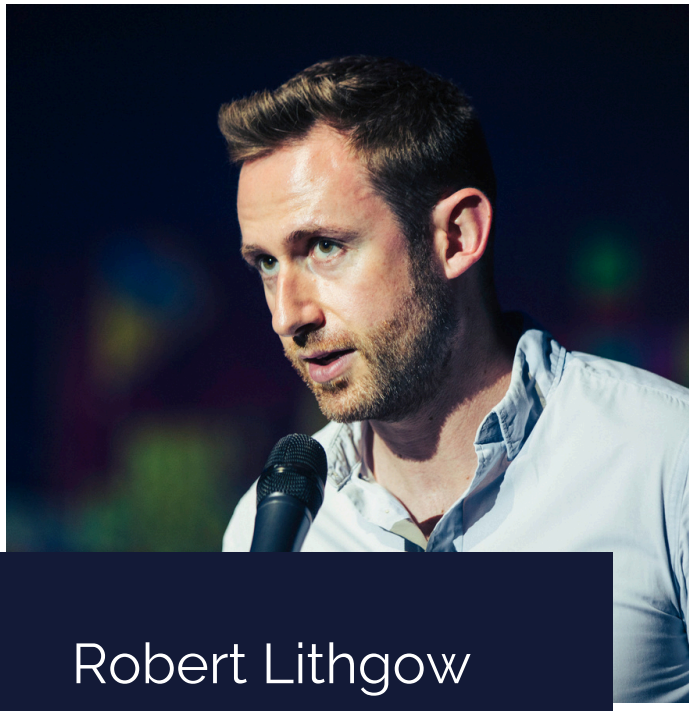
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# Chairs Summary -



Robert Lithgow
Chair of Trustees

This past year has been a transformative period for The Habbit Factory. We embraced a period of strategic renewal by welcoming fresh perspectives onto our board as we bid a heartfelt, grateful farewell to some longstanding voices as they reached the end of their term as trustees. This infusion of new ideas - balanced with the seasoned insights of our continuing trustees - has reinvigorated our governance and positioned us to better impact the diverse community we serve. These changes ensured that our leadership remains dynamic and adaptable as we navigate the opportunities ahead.

Celebrating our 20th anniversary amidst a backdrop of post-pandemic recovery, we reached remarkable milestones that underscore our resilience and vision. A standout moment was our partnership with BBC Children in Need, which afforded us an extraordinary ten-day media spotlight that reached an estimated twenty-one million people. This exposure magnified our charity's visibility, casting a spotlight on our mission and capturing the hearts of wider audiences. It strengthened our digital presence and deepened community engagement, ensuring our story resonated far beyond our traditional channels.

Our progress isn't limited to external recognition; internally, we've strengthened our team and deepened our community alliances. Strategic partnerships with local authorities, theatres, and educational institutions have expanded our influence as a trusted creative leader. With our dedicated core team now better resourced to support 500 young people every week, we've set the stage for enhanced programming and community impact. These accomplishments resonate as we prepare to build on our successes and continue delivering exceptional artistic and social value.

I wish to express my deepest gratitude to our board, staff, volunteers, partners, and supporters, whose dedication and passion ensure that The Habbit Factory not only survives but thrives as a beacon of creative expression and community empowerment. Thank you for your unwavering support as we look forward to another year of creative evolution and meaningful impact.



# Organisational Structure

| | |
|---|---|
| Board of Trustees<br>As of 31/03/2025 | Robert Lithgow (Chair)<br>Tim Steel (Treasurer & Acting Secretary)<br>Georgina Hart<br>Guleraana Mir<br>Kieran O'Callaghan<br>Neera Dhir<br>Makola Mayambika<br>Dimple Pau |
| Executive Officer: | Lee Giles (Artistic Director and CEO) |
| Registered Office: | Queen's Theatre<br>Hornchurch<br>Essex<br>RM11 1QT |
| Registered Charity: | 1162418 |
| Bankers: | NatWest<br>120 - 122 High St,<br>Hornchurch<br>Essex<br>RM12 4UL |



# The Organisation

**Who we are**
We are an inclusive arts organisation in The London Borough of Havering, welcoming all and working with some of the most excluded and disadvantaged children and young people in the area. Through a targeted network of partners our work helps people who do not see themselves as artists or do not have access to any creative engagement or provision.

**Structure & Objects**
The Habbit Factory is a registered charity. The objectives and powers of the Charity are set out in our constitution. The objective for which the charity was established was the advancement of education in the fields of the arts - principally to advance the education of children and young people in all aspects of the performing arts through the provision of workshops and opportunities to participate in artistic performances.

**Governance**
The Board of Trustees has responsibility for the governance of The Habbit Factory and are appointed based on specific skills and knowledge enabling them to contribute to the governance of the charity. Trustees to engage with the Chairman and Executive Director, as well as meeting with staff working within their own area of specialism. The Board usually meet quarterly and review cross-organisation performance and development. Finance is the responsibility of the Finance Committee, which includes the Chair, Treasurer, and the Artistic Director/CEO. It oversees the development of financial plans and approves annual budget.. The Finance Committee regularly reviews financial performance including controls to carefully manage expenditure.

**Management**
The Artistic Director/CEO is responsible for the charity's day-to-day operations, overseeing progress against key performance indicators (KPIs) aligned with its four main aims and objectives: governance and operations, the Membership Programme, the Educational Programme, and the Artistic Programme. Communication within the company, and to the wider Habbit Factory community, is facilitated through face-to-face briefings (including staff and volunteer meetings), complemented by communications via email. It is important to document that the Habbit Factory's boasts a strong team of volunteers who are vital to our work.

# Chief Executive Report



Lee Giles

Founded in 2004, The Habbit Factory's vision is for an inclusive world where everyone has equal access to the arts. Working within the London Borough of Havering, our approach is built on the principles of inclusivity, welcoming everyone. As the only Inclusive arts organisation in the borough and through a targeted network of partners; we can connect with individuals who often get overlooked within the community.

We believe art has the power to effect change. Evidence continues to suggest that the creative arts is one of the most powerful tools to bring people together, breaking down social and cultural barriers, whilst helping the most vulnerable to lead a fulfilling and dignified life.

Through programmes and activities facilitating education, theatre, participation, and professional training, The Habbit Factory breaks down barriers to inclusion and transforms wellbeing.

The Habbit Factory works with children and young people from ages three plus and with adults of all ages. Our inclusive ethos means we welcome people from diverse backgrounds, and our community is made up of people from across all of society, including those experiencing social exclusion in mainstream environments for whom we provide additional support. These potential barriers to participation include socio economic disadvantages, learning disabilities physical disabilities; illness and long-term medical conditions; sensory impairments; abuse and neglect; behavioural difficulties; those with poor mental health; being in the care system; and having caring responsibilities.



# Chief Executive Report - Overview

At the start of the year, we began recruiting new board members as seven of our eight trustees neared the end of their terms. Two stepped down, creating opportunities for fresh perspectives. We appointed three new trustees - two parents of members and one from the theatre industry with no prior connection to THF - strengthening our governance as we continued expanding. We also maintained our collaboration with fundraising consultant Adam Gallacher. Our partnership with BBC Children in Need led to major media exposure, including a feature on the Pudsey Appeal Show where Gary Oldman read a CBeebies Bedtime Story about The Habbit Factory and one of our families, resulting in over 250,000 website views in two weeks.

Celebrating our 20th anniversary, we reached our highest fundraising total, thanks to Adam's support. We continued to expand our strategic partnerships with the local authority, Queen's Theatre Hornchurch, Central School of Speech & Drama, Havering Changing, and the Myplace Centre, strengthening our position as a leading arts organisation. Our core team expanded from three to five members, increasing weekly working hours to 151, improving our capacity to support young people. We also brought in a freelance Adult Company Associate Director but had to pause the programme in February 2025 due to funding challenges. Zoe joined as our Arts Engagement Manager, focusing on education and outreach, and Sarah became our Charity Administrator, easing the team's workload.

Our Membership Programme thrived, with full-capacity Children's Company groups and a waiting list of 80 young people. While demand grew, we prioritised maintaining a personalised approach. The Children's Company co-produced a Blueprint document to structure artistic values and timelines, ensuring clarity for both the team and members. However, financial pressures led to the difficult decision to pause our Adult Company, impacting long-standing members, many with SEND. Despite this, we averaged 161 members per week, 92 of whom required additional support, and saw a decrease in membership donations.

The Education & Outreach Programme expanded significantly, particularly in engaging young people struggling with traditional education. With Zoe's leadership, we grew from five to eight weekly school workshops, launched an Attendance Programme in collaboration with Havering Local Authority, and explored alternative provisions for SEND students. We also redefined our Volunteer Programme, easing pressure on workshop volunteers by introducing Front of House, Props & Set, and Costume committees. A successful black-tie celebration honoured our volunteers, and we enhanced training and support, ensuring they felt valued and cared for.

# Trustees

At the start of the year, we began looking for new trustees. With seven of our eight trustees reaching the end of their three-year term, two decided to step down, opening up space for fresh voices. We wanted people with unique and relevant professional and personal experience and those who could bring valuable perspectives to board discussions as we entered the second year of our three-year plan. It was also important that our board reflected the community we serve.

After another year of big growth, we needed to develop new governance practices and continue laying the foundations for our expanding charity. We appointed three new trustees: two parents of members and someone from the theatre industry who had no prior connection to THF. We felt that combining the insights of those who know the organisation well with the fresh perspective of someone new would strengthen our board and our decision-making.






# Core Team

To meet rising demand, we expanded our team from three to five, increasing weekly hours from 94 to 151. This boosted our capacity to support members, strengthen programmes, and manage growth more effectively.

In September, we brought in a freelance Adult Company Associate Director to offer dedicated support. However, after several unsuccessful funding bids, we paused the Adult Company and the role in February 2025 until we can secure sustainability.

Zoe joined as our Arts Engagement Manager to lead the expanding Education & Outreach Programme, responding to growing interest from schools. She's become a seamless part of the team.

With admin demands rising, we used Backstage Trust funding to recruit Sarah as our part-time Charity Administrator—described as "a big hug for the organisation." Her support has lifted a huge burden from the team.

For the first time, our team structure feels right for the 500 young people we now support each week. While the dedication remains, our operations are finally more sustainable.

## Strategies employed to achieve the charity's aims and objectives

In pursuit of our charitable aims we have continued to reach young people through focusing our work in the key strategic areas of Membership Programme, Educational & Outreach Programme, Volunteer Programme, Artistic Programming & Governance and Operations. Key activities and achievements are detailed below:



## Membership Programme

The Membership Programme brings children, young people, and adults together to co-create through the performing arts, building essential life skills and fostering collaboration across staff, members, and volunteers. Our Theory of Change helps measure this impact.

This year, our Children's Company saw record demand, with most groups at full capacity and a waiting list of 64. While we've tried to accommodate interest by recruiting more volunteers or suggesting alternative hubs, we've chosen to prioritise our personalised approach over simply increasing numbers, to protect the quality of experience for the individual.

Together with our Volunteer Company, the team co-created a blueprint outlining shared artistic values and a clear operational structure - giving everyone a stronger sense of direction and ownership over our artistic work.

In February, we made the tough decision to pause our Adult Company due to rising costs and continued funding challenges. This was especially difficult given that 67% of Adult Company members have SEND, and 40% were turning 26, with few local options available. We plan to hold community consultations to explore sustainable solutions.

Across 2024–25, we worked with 225 young people, averaging 146 weekly attendees - 91 of whom required additional support or faced access barriers. Membership donations declined, with 59% of young people receiving free spaces (up from 48%). Despite rising costs, we remain committed to finding funding to keep our programme accessible to all.

*"The thought of them not being a part of the Habbit Factory makes me so sad. It has been so lovely to see how his confidence has grown over the years. I have enjoyed seeing many of the children grow into the amazing actors/actresses they are today.*

*Over years I have watched some of the children become Blue Tees and continue the amazing work. I can't thank each and every one of you enough for all your support, love, kindness and everything else you have done. Thank you from the bottom of my heart."*
**Parent of Member**

| 92% | 225 | 86% |
|---|---|---|
| of young people reported feeling part of a group since joining The Habbit Factory | Total number of young people engaged | said they feel more confident in using creativity as a result of their involvement |

Throughout the past year, we engaged **225 young people**, creating a sense of community and support. An impressive **92%** of young people reported feeling part of a group since joining The Habbit Factory, with an average rating of **4.7 out of 5.** With **86%** saying they feel more confident in using creativity as a result of their involvement



## Education and Outreach Programme

This year saw the biggest growth in our Education & Outreach Programme history, using theatre to support children and young people who struggle in traditional school environments. We work in some of the UK's most deprived areas, with many participants later joining our Membership Programme for continued support.

Appointing Zoe as Arts Engagement Manager launched the biggest shift since the programme launched in 2013. After embedding herself in our work, she connected with schools and teachers to understand their needs - particularly for pupils who thrive with practical, creative learning. The result: a more inclusive, engaging environment for everyone involved.

We expanded from five to eight weekly workshops in schools including Drapers Brookside, Drapers Pyrgo, Mead, and Hilldene, and ran three sessions in partnership with Tender Shoots. We also directed an end-of-year performance, collaborated with sixth-form students at Barking Abbey and Little Heath, and explored career-focused projects with a SEND careers advisor in Barking & Dagenham.

A standout success was our Attendance Programme pilot, developed with Havering Local Authority. Based in four schools, it tackled attendance challenges identified by students and staff, leading to a commissioned six-week project in each.

We're now exploring long-term Alternative Provision models and have begun scoping corporate partnerships, using our inclusive practice to support professional development and team wellbeing.





“The true impact of The Habbit Factory's work is difficult to measure, given its far-reaching effects. Within our school community, they have supported children facing complex health and emotional challenges, including those dealing with bereavement and parents with serious illnesses. Through their efforts, these children have found a space to "be themselves," experience joy, and form friendships during some of the darkest times in their lives. Additionally, The Habit Factory has played a crucial role in helping children develop tolerance, cooperation, and lasting friendships”

**Headteacher, Drapers Brookside**

**92%**

Of young people learnt a new skill

**948**

Young People Engaged

**94%**

Of young people said they would do it again

**95%**

·Of young people said it improved their mental health

**339.5**

Hours of workshops delivered in one year

## Volunteer Programme

This year, we redefined what volunteering means at The Habbit Factory. Our 39 Blue Tees remain a vital part of our work, supporting workshops and performances while often helping across the charity. To ease pressure and involve more people, we created new ways to volunteer beyond the workshop space.

We launched three new committees: Front of House, Props, and Costume. These roles have spread the workload and welcomed fresh faces into our community. In total, 65 volunteers contributed an estimated 4,385.85 hours. Valued at the London Living Wage, this equates to around £60,300, not including the generous time given by staff, families, members, and our unpaid Trustee Board.

Our volunteers are the heart of the organisation, and their energy drives everything we do. With support from the Jack Petchey Foundation, we hosted a black-tie Volunteer Awards evening, attended by over 100 guests including members, parents, trustees, the Mayor, and our Patron, Lucy Benjamin.

We also strengthened our training offer, including enhanced DBS checks, inclusive practice, Level 1 Safeguarding, Paediatric First Aid, and Mental Health Awareness. We introduced the "Room to Reward" scheme, offering hotel stays for three volunteers each year, and created two ‘Blue Tee Rep’ roles for those wanting extra responsibility.

Most importantly, we’ve had the time and capacity to check in with volunteers individually, supporting their wellbeing and personal needs. As with our young people, we now feel confident we can offer volunteers the care, support and appreciation they truly deserve.





‘I came away thinking how fortunate the children were to be involved in The Habbit Factory. They were quite chilled, talking, rehearsing, colouring in their sketch books. It was a calm atmosphere, a real delight’
**Costume Committee Volunteer**

‘I absolutely felt supported and empowered from the staff team, members and other volunteers’
**Volunteer who supported ‘Our Story’**

‘In typical fashion, I would take any opportunity to thank you for the rehearsal process, the show weekend but generally being a very supportive and collaborative team to work with. Next year’s show can’t come soon enough!’
**Volunteer who supported ‘Our Story’**

**85%**

Of our Volunteers would recommend volunteering at The Habbit Factory based on their experience

A total

**65**

Volunteers gave

**4,385.85**

hours

**44%**

Of our volunteers are aged between 18-25




**Artistic Programming**

As The Habbit Factory celebrated its 20th anniversary, our young people, volunteers, and staff decided to take a different approach for our summer show. Rather than creating a brand-new musical, we reflected on our 20-year journey and showcased the "best bits" in a production titled 'Our Story'. Our annual pantomime, 'Dick Whittington', was once again a resounding success. Below are some highlights from both productions:

## Our Story - Children's Company

Performed at the Queen's Theatre in Hornchurch over two nights to an audience of 824, Our Story featured 156 young people, with 44 stepping onto the stage for the very first time. The production was supported by 41 volunteers, who collectively dedicated 508 hours over two days.

Each year, we begin generating ideas for our summer show at the start of the school term. It quickly became clear that celebrating THF's 20th anniversary by revisiting past productions and key moments from our history was the right choice. Our members were enthusiastic about revisiting past performances, with one young person saying, "We should do the 'Villains Cell Block Tango' section from Twice Upon a Time because I had just moved from being a Junior to a Senior and I remember being fuming that it was a Junior piece, and I wanted to do it." Needless to say, we brought that piece back - keen teenagers aren't to be argued with!

The show also included a powerful section about the pandemic, where we showcased our online activities on a projector while simultaneously bringing them to life in a fresh, creative, and emotive way.

Due to rising costs, we scaled back on set design for this production, instead making full use of projection to display images and videos from past productions and projects. Those who have followed our journey for years appreciated this.



**83%**

Of our audience said they would recommend the show to a friend

A total

**156**

young people performed with

**44**

performing for the first time

**41**

Volunteers supported the production from on stage, tech crew, front of house, costume committee and captioning

"We loved the variety, the showcasing of the children and the story / purpose behind the the Habbit Factory."
**Audience Member**

"This show felt like my show. I created it, I experienced it and I performed it."
**Young person taking part**

"The Habbit Factory is a marvellous charity changing youngsters lives in such a positive and meaningful way - please keep up the good work."
**Audience Member**




# Dick Whittington - Full Company

The pantomime project was launched in 2017 following discussions with our community, members, families, and volunteers. These conversations highlighted the importance of staff and Blue Tees taking on lead roles while also creating more opportunities for children and young people. This led to our Junior and Senior companies joining the cast, creating a more diverse and truly inclusive pantomime. Building on last year's five-performance sell-out, we chose to produce Dick Whittington, one of the oldest pantomimes, though not the most well-known among younger audiences.

With our previous set designer, Luis, no longer available, we had to explore alternative options. Keeping sustainability in mind, we purchased a pre-used set rather than hiring one, easing the pressure of sourcing an individual or team to build a new one.

When we opened registration to young people to join our cast, we initially had just 66 spaces available. However, within three minutes, 67 young people signed up. In true Habbit Factory fashion, we reworked the casting to accommodate everyone,  The cast featured 18 Blue Tees, 88 children and young people, supported by 8 tech and backstage crew. Our front-of-house team welcomed 907 audience members from our community.





**93%**

Of our audience said they would recommend the show to a friend

**26%**

Of our audience were first time attendees

**100%**

Of our audience said the pantomime was excellent value for money

**33%**

Of our audience had no affiliation with cast or crew

**82%**

of our audience felt the pantomime exceeded their expectations with 18% saying it met them

"The Habbit Factory always delivers. It has everything for young and old—audience participation and interaction. Extremely funny right from the start. A quote from my neighbours who also came to see the pantomime: 'We look forward to this every year; it's now our Christmas tradition.'"

**Audience Member**

""I've seen other pantomimes in large theatres, and this one had them all beat hands down—definitely the best I've ever seen!"

**Audience Member**

"We loved how you fully incorporated the young people in the production, and we got to see interaction between them and the adult cast like never before."

**Audience Member**

# Future Plans

We are now entering the final year of our three-year business plan, having achieved 80% of our objectives, with some goals no longer relevant. Most importantly, we have expanded our team's capacity, ensuring we are not overstretching while continuing to make a deep and meaningful impact on every individual we engage with.

This final year will focus on assessing the successes and challenges of our current plan while shaping our next three-year strategy. A key aim is to build our reserves to a minimum of three months' operational costs. (currently at 2.5) which is a necessary step as our staff team has grown.  We aim to build on recent achievements to strategically position The Habbit Factory for an application to the Arts Council's National Portfolio Organisation (NPO) funding in the next round and continue to build contacts to expand our Education & Outreach Programme.





# Treasurers Summary



Tim Steel

Treasurer

Below are the accounts for our financial year ending 31st March 2025. .
As can be seen, our overall income increased by 26% to just over £190,000 – almost double what it was two years ago. This has been mainly driven by a substantial increase in grant funding, with an additional £23,500 already received for projects planned for later in 2025. A huge success for the fundraising team - our best year. And last year we also saw our education programme really start to grow – with income up almost 30%.

However, we have also seen a similar increase in our costs, mainly driven by employment, as we have now increased our permanent staff to five (including two part time). This increase in staffing has been funded either by grant or education programme income and is core to the charity. Nevertheless, along with our consultancy fees for fundraising, employment costs represent nearly 80% of the cost base.

We made a surplus of just over £5,000 last year, increasing our reserves to almost £36,000 – our highest reserves balance ever (though only 12,500 is unrestricted). However, with monthly expenditure averaging more than £15,000, our reserves cover has reduced again this year to 2.3 months (much less if we judged this against unrestricted reserves).
As with most charities, each year we are dependent on grants and fundraising. Most grant income is not guaranteed and/or is subject to change, whereas many of our costs are difficult to flex in the short term and will tend to increase. Further, grant income usually requires certain activities to be achieved, at incremental cost, and therefore rarely sustains the day-to-day running costs of the charity.

To ensure that our charity remains sustainable we need our unrestricted reserves to grow in line with the growth in our charity. The Trustees, therefore, reviewed the charity's finances in some detail at the board meeting in April and approved the following:

# Treasurers Summary Continued

1. A balanced budget for 2025/6 based on a conservative forecast of income for the year ahead, noting that we already have £23,500 of this income "in the bank".
2. Several initiatives to improve reserves and our financial resilience, including:
3. The formation of a new fundraising committee.
4. A review of aspirational income opportunities, with the CEO and Treasurer.
5. Limiting employment cost increases for the coming year to inflation, with future increases to be paid only against certain success and affordability criteria (detail to be developed).
6. The strengthening of our financial approval processes and controls.
7. The formation of "reaction plans" (to be prepared by the CEO and Treasurer) to prepare the charity to respond quickly, should there be a material adverse change in our financial position, or forecast.

And that the above will be regularly reviewed by the Finance Committee and reported to the Board of Trustees.

On this basis, I remain satisfied that our charity's financial position remains firm and that the team are well set for the year ahead, and beyond. But we must not take our eye off the ball and continue to build income sources for the future, particularly beyond grants, as well as control costs.

Tim Steel FCMA, CGMA
Treasurer



## Summary Profit and Loss - year ended 31 March 2025

| | | 2025 | | 2024 |
|---|---|---|---|---|
| **Income** | | | | |
| Trusts and Foundation grants* | £ | 111,453 | £ | 73,737 |
| Member programme donations | £ | 16,012 | £ | 17,508 |
| Educational programme fees | £ | 25,124 | £ | 19,480 |
| Panto & Summer Show | £ | 21,179 | £ | 24,392 |
| Corporate & Individual giving | £ | 8,386 | £ | 10,091 |
| Tickets, events and challenges | £ | 7,612 | £ | 5,366 |
| Bank interest | £ | 912 | £ | 637 |
| **Total income** | **£** | **190,677** | **£** | **151,211** |
| **Expenditure** | | | | |
| Staffing and consultancy | £ | 143,302 | £ | 105,199 |
| Panto & Summer Show | £ | 20,032 | £ | 25,466 |
| Venue hire & expenses | £ | 10,442 | £ | 8,140 |
| Equipment, insurance & overheads | £ | 8,799 | £ | 8,946 |
| Educational programme | £ | 180 | £ | - |
| Other Fundraising | £ | 63 | £ | - |
| Other performance costs | £ | 2,830 | £ | 2,243 |
| **Total expenditure** | **£** | **185,648** | **£** | **149,993** |
| **Profit / (loss) on activities** | **£** | **5,030** | **£** | **1,218** |

** Includes an award from the Foyle Foundation for £7,000, with £5,250 of this award accrued to financial year 2025/6.*

## Balance Sheet as at 31 March 2025

| | | 2025 | | 2024 |
|---|---|---|---|---|
| **Assets** | | | | |
| Trade debtors | £ | 800 | £ | 2,800 |
| Prepayments | £ | 3,093 | £ | - |
| Bank/building society balances | £ | 58,526 | £ | 31,711 |
| Cash in hand (Petty Cash) | £ | - | £ | - |
| | **£** | **62,420** | **£** | **34,511** |
| **Liabilities** | | | | |
| Grants received in advance | £ | 23,500 | £ | - |
| Trade Creditors | £ | 2,972 | £ | 3,593 |
| | **£** | **26,472** | **£** | **3,593** |
| **Net assets** | **£** | **35,948** | **£** | **30,918** |

| **Net charity assets represented by:** | | 2025 | | 2024 |
|---|---|---|---|---|
| Capital account: | | | | |
| Balance at start of period | £ | 30,918 | £ | 29,701 |
| Net surplus (deficit) | £ | 5,030 | £ | 1,218 |
| | **£** | **35,948** | **£** | **30,918** |
| **Surplus funds** | | | | |
| Restricted expenditure | £ | 23,500 | £ | - |
| Unrestricted expenditure | £ | 12,448 | £ | 30,918 |
| | **£** | **35,948** | **£** | **30,918** |

# Contact Us



## The Habbit Factory

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Address

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Queens Theatre Hornchurch
Billet Lane
Hornchurch
Essex
RM11 1QT

CHARITY COMMISSION FOR ENGLAND AND WALES

# Independent examiner's report on the accounts

## Section A Independent Examiner's Report

| | | | |
|---|---|---|---|
| **Report to the trustees/ members of** | The Habbit Factory | | |
| **On accounts for the year ended** | 31 March 2025 | **Charity no (if any)** | 1162418 |
| **Set out on pages** | As per the attached accounts | | |

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31st March 2025.

**Responsibilities and basis of report**

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

| | | | |
|---|---|---|---|
| **Signed:** |  | **Date:** | 25th Sept 2025 |
| **Name:** | Kaan Fehmi | | |
| **Relevant professional qualification(s) or body (if any):** | ACMA, CGMA | | |
| **Address:** | Cryalls House, Auckland Drive, Sittingbourne, Kent. ME10 1HN | | |

| Section B | Disclosure |
| --- | --- |
| | Only complete if the examiner needs to highlight material matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners). |
| **Give here brief details of any items that the examiner wishes to disclose**. | - No matters of concern. |

**THE HABBIT FACTORY**

England & Wales - Charity number 1162418

# Accounts



# 2023 - 2024 ANNUAL REPORT & FINANCIAL STATUS

WWW.THEHABBITFACTORY.ORG

CHARITY NUMBER - 1162418

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# Chairman's Summary

The past year at The Habbit Factory has been a whirlwind of remarkable achievements. We delivered stunning performances that captivated audiences, secured significant grants that fuel our mission, and even earned a coveted spot on the BBC, raising our profile to new heights.

These successes are a testament to the unwavering dedication of our staff, volunteers, and the incredible talent of our members.

However, we at The Habbit Factory never rest on our laurels. As we look ahead, we're committed to further growth and impact.

This includes:

- Expanding our Board of Trustees: To support our ambitious goals, we're actively seeking talented individuals to join our Board. We're particularly interested in those with expertise in areas that will help us flourish, such as secretarial, theatre, legal, HR, fundraising and/or marketing.
- Enriching Education and Outreach: We recognize the transformative power of the arts for all. We're committed to expanding our education and outreach programme, bringing the joy of creative arts to a wider audience.
- Evolving the Adult Programme: We constantly strive to provide the best possible experience for everyone. This year, we'll be focusing on evolving the Adult programme, ensuring it continues to meet the needs and aspirations of our dedicated adult members.

I'm incredibly proud of what we've accomplished together. With your continued support we are poised for an even brighter future.
Happy 20th Anniversary The Habbit Factory - here's to many more years of our wonderful charity!





## LEGAL STRUCTURE

| | |
|---|---|
| Board of Trustees<br>As of 31/03/2024 | Robert Lithgow (Chair)<br>Tim Steel (Treasurer & Acting Secretary)<br>Cleonah Springer-Clarke<br>Georgina Hart<br>Guleraana Mir<br>Kieran O'Callaghan<br>Owen Smith |
| Executive Officer: | Lee Giles (Artistic Director and CEO) |
| Registered Office: | Queen's Theatre<br>Hornchurch<br>Essex<br>RM11 1QT |
| Registered Charity: | 1162418 |
| Bankers: | NatWest<br>120 - 122 High St,<br>Hornchurch<br>Essex<br>RM12 4UL |
| Accountants: | Fox Accountancy<br>144 Hall Ln,<br>Upminster<br>RM14 1AT |



# The Organisation

**Who we are**

We are an inclusive arts organisation in The London Borough of Havering. Welcoming all and working with some of the most excluded and disadvantaged children, young people and adults in the area. Through a targeted network of partners our work helps people who do not see themselves as artists or have access to any creative engagement or provision.

**Legal Structure & Objects**

The Habbit Factory is a registered charity. Members of the Board act as Trustees of the charity. The overall objects and powers of the Trust are set out in our written constitution. The object for which the charity is established is the advancement of education in the fields of the arts, principally to advance the education of children and young people in all aspects of the performing arts through the provision of workshops and opportunities to participate in artistic performances.

**Governance**

The Board of Trustees has responsibility for the governance of the The Habbit Factory. Directors/Trustees are required to act in accordance with the charity's constitution. Directors are appointed on the basis of specific skills and knowledge to enable them to make a contribution to the management of the charity. In order to understand their role and current issues facing the organisation, each new Director is provided with specific tailored information, including; copies of Governing Documents, Board Minutes, Annual Accounts. Opportunities are provided for new Directors to engage with the Chairman and Executive Director, as well as meeting with staff working within their own area of specialism. The Board meet quarterly and review cross-organisation performance and development. Finance is the responsibility of the Finance Committee, which consists of the Chair, Treasurer, and Executive Director. It oversees the development of business plans and recommends the Annual Budget to the Board. It reviews progress through the management account and re-forecasting process, tightly monitors overheads and exerts rigorous control over all outlays. Being responsible for monitoring income delivery is an essential part of the discussions of the Finance Committee.

**Management**

The operational running of the theatre company is delegated to the Artistic Director/CEO managing operations of the charity, assessing progress against artistic, education and business plans. Communication within the company, and to the wider Habbit Factory community, is facilitated through face-to-face briefings (including staff and volunteer meetings), complemented by communications via email. It is important to document that the Habbit Factory's boasts a strong voluntary team who are vital to our work.

# The Organisation

**Risk Assessment**
Systems of internal control within the Trust are designed to provide reasonable reassurance against material mis-statement or loss. These include:

- Strategic and operational plans and an annual budget
- Consideration of financial and non-financial results on a regular basis
- Identification and management of risks

The Board has overall responsibility for ensuring that risk is managed in a constructive and considered manner and judge that the systems currently established mitigate the major risks identified and are appropriate for the present size of the charity. The most significant risks affecting the charity are liquidity and cash flow risk. The Finance Committee continues to monitor this aspect of the company's operations on behalf of the directors through review of management accounts and re-forecasting, particularly in relation to income.

**Reserves Policy**
The charity continues its commitment to build meaningful reserves. After diving into our reserves, due to the pandemic, we continue to look at ways to rebuild so that the charity can meet unexpected shortfalls or cash flow difficulties. Following three years of substantial growth we haven't been able to reach our reserves target however in the longer-term the Board would wish to establish reserves of six months cover at the earliest convenience.

**Financial report**
Please see page 10 for accounts and report from the Treasurer.





# Chief Executive Report

Founded in 2004, The Habbit Factory's vision is for an inclusive world where everyone has equal access to the arts.

Working within the London Borough of Havering, our approach is built on the principles of inclusivity, which welcomes **everyone**. As the only organisation that supports disability arts in the borough and through a targeted network of partners; we are able to connect with individuals who often get overlooked within the community.

We believe **art has the power to effect change**. Evidence continues to suggest that the creative arts is one of the most powerful tools to bring people together, breaking down social and cultural barriers, whilst helping the most vulnerable to lead a fulfilling and dignified life.

Through programmes and activities facilitating education, theatre, participation, and professional training, The Habbit Factory breaks down barriers to inclusion and transforms wellbeing.

The Habbit Factory works with children and young people from ages three and above and adults of all ages. Our inclusive ethos means we welcome people from diverse backgrounds, and our community is made up of people from across all of society, including those experiencing social exclusion in mainstream environments for whom we provide additional support. These potential barriers to participation include: socio economic disadvantages, learning disabilities physical disabilities; illness and long-term medical conditions; sensory impairments; abuse and neglect; behavioural difficulties; mental health issues; being in the care system; and having caring responsibilities.



# Chief Executive report (continued)

**Reflecting on a Year of Forward Momentum**

**Overview**

In the past year, our Board, who entered their third year of tenure, provided invaluable support as we navigated challenges and enhanced the organisation's growth. Despite transitions within the board, we are gearing up for new recruitments, seeking individuals with expertise in charity governance, law, HR, and Theatre.

Our Organisational Development saw significant strides, securing long-term core funding from the National Lottery's Reaching Communities fund, ensuring sustainability for our Membership Programme over the next five years. Leveraging partnerships with the Queens Theatre, Hornchurch, and BBC Children in Need, we expanded our reach and visibility, reaching millions and inspiring engagement.

The Core Team faced its share of challenges, but the transition of all staff to permanent contracts highlights our commitment to their welfare. With plans to expand the team, we're poised to strengthen our organisational sustainability.

Strategies for the coming year include evaluating the team's workload, seeking funding for expansion, and positioning The Habbit Factory for Arts Council NPO funding. With a solid foundation and strategic vision, we are ready to embark on the next phase of our journey, ensuring the continued success and impact of our initiatives.



**The Board**

Throughout this year, many members of our current board begun their third year within their initial term. Their support has been instrumental in supporting the growth of our organisation, whilst also not getting too carried away with the ever growing "to-do" list. Having adeptly navigated through immediate challenges, they are now harnessing their professional and personal expertise to enrich the endeavours of The Habbit Factory as we embark upon the second year of our three-year plan. Efforts to fortify governance practices continue to set the foundations of our growing charity.

Our secretary, Carron Beckwith, left the board around November 2023. Cleonah has elected to step down at the onset of the new financial year. Owen has signalled his intentions to step down. In light of these transitions, the recruitment process for new trustees has commenced, with a focus on individuals possessing experience in charity governance, law, HR, and Theatre.

**Organisational development**

We have continued to work with Adam Gallacher throughout the year with a particular focus towards fundraising. Our biggest achievement from the year was achieving long term core funding from the National Lottery - Reaching Communities fund. This funding will secure the sustainability of our Membership Programme's over the next 5 years

We have continued to develop our strategic partnership with the Queens Theatre, Hornchurch where we agreed to develop a partnership that both supports and increases opportunity for under-served and under-represented communities across Havering, specifically engaging with young people and D/deaf disabled and neuro-diverse individuals through creative activity.

We were able to leverage our funding from BBC Children in Need to gain a spot on BBC London and BBC London radio in November 2023. BBC crew brought filming equipment to one of our hubs to film our young people, staff, volunteers to showcase our work which was seen by over two million people. Following that, three of our young people were able to appear on the Graham Norton BBC Children in Need special. These features saw huge spikes in our website views, Membership requests and pantomime ticket sales.



**Core team**

This year has been quite a ride for our core team, especially around October-November 2023 when I was out after welcoming my second child. Despite the challenges, we've achieved a significant milestone by transitioning all team members to permanent contracts. This move underscores our dedication to them for their commitment to our cause.

Following our year end, our core team has now expanded to four as we seek to enhance the organisation's sustainability. The charity has long relied on the current team's dedication, often going above and beyond. Now, we feel it's time to strengthen our team's capacity, having identified areas where additional support is needed.

**Strategies employed to achieve the charity's aims and objectives**

In pursuit of our charitable aims we have continued to reach our beneficiaries through focusing our work in the key strategic areas of Membership Programme, Educational & Outreach Programme, Volunteer Programme, Artistic Programming & Governance and Operations. Key activities and achievements are detailed below:

**Membership Programme**

The Habbit Factory's Membership Programme provides opportunities for children, young people, and adult members to collaborate with our professional artistic staff and volunteer Blue Tees, fostering the development of essential transferable skills for the future.

This year, we looked at both our Children's Company and Adult Company, exploring their shared traits while acknowledging their difference. This effort culminated in the development of our Adult Company's Artistic Vision and Blueprint document, outlining the essential artistic elements for the group and its preferred operational approach. Notably, our Adult Company actively participated in crafting this document to ensure it accurately reflects their desires. In the upcoming year, we will produce a similar document tailored to our Children's Company. We view this as essential information for prospective team members to grasp and comprehend the essence of each group before working with them.

Throughout the 2023-2024 period, we maintained an average attendance of 156 members per week. Notably, 89 of these members identified as having additional support needs or were deemed at risk within their communities due to access needs.

On average, we are facilitating free access for 48% of our members each month, which means our regular donations are at least £13,000 less per year - with the cost of running the membership programme being much higher. We are committed to seeking out grants and funding opportunities to sustain this initiative moving forward.

In the previous year, we successfully secured funding from ACE to establish a new hub in Barking & Dagenham (B&D) starting September 2023. Despite efforts from our team to establish a presence in the borough through engagement with schools, councils, and colleges, we fell short of our projected participation numbers. Consequently, instead of extending the group beyond the funded period, we have decided to conclude activities after the Summer Production in June 2024. However, we remain committed to supporting individuals who attended the B&D hub by offering them placements at any of our other hubs, reaffirming our dedication to enhancing the lives of all participants.



**Education and Outreach Programme**

We took significant steps into developing our Education and Outreach programme. Our Educational Programme is a co-created drama model which supports pupils in educational establishments who are struggling to find their place in the world, giving them agency to effect change in their life. THF delivers targeted provision in some of the UK's most deprived schools. Many of the participants in this programme go on to our Membership programme where we offer a longer-term provision outside of their school.

We continued to have conversations with headteachers and teachers who are wanting an alternative way to teach pupils aiming at those who find it easier to work in a more practical way. This programme does not only benefit the individual, it benefits the educational establishments peer engagement, peer connectivity, inclusivity, acceptance, and equality.

The programme sustains ongoing involvement with three schools, offering after-school clubs and educational workshops tailored to each school's preferred subject matter. Notably, one of the schools enlisted our assistance in directing and choreographing their Year 6 end-of-school play, "Lion King" which was lovely as we had been working with those children since they were in year 1.

Additionally, we collaborated with "Tender Shoots," conducting three workshops throughout the year to provide support for children in schools who display "non-conforming" behaviour within the educational setting.

In June-July of 2023, we worked with Barking & Dagenham College's Horizons team, delivering a series of three workshops a week for six weeks to students within their SEND department. Throughout this initiative, we had the privilege of working with over 50 young people aged between 18-25. The culmination of this project was the collaborative creation of a co-created end-of-year performance, presented in front of their families and friends which was “space themed”.

This is all without any effort to specifically reach out for new work with other establishments as the core teams capacity is stretched. This is why we are recruiting an “Arts Engagement Manager” who will be joining us at the end of May 2024. I am very excited to begin working with them on the following project:

We have been in conversation with Havering Inclusion team for many years, They have continued to ask us to collaborate on projects with them within schools tackling current subjects/issues. They have highlighted the poor attendance within some of Havering’s schools and have commissioned us to deliver a 6 weeks “Attendance Project” in four schools. All of this administration/preparation work took place during 23-24 with the goal to directly deliver the workshops in schools during the 24-25 financial year. This project alone is a huge opportunity for The Habbit Factory to reach out to more young people with our work, tackle the mental health issues that come with going to school.

**Volunteer Programme**

In 2023/24, On average 25 volunteers (our Blue Tees) weekly gave an estimated total of 3220 hours to The Habbit Factory. (This excludes hours given voluntarily by Members of Staff, families, and members). When multiplied by the London Living Wage this would equate to around £42,000 in terms of value, not including tax, NI & Pensions. This excludes the value of our Trustee Board, who also all give their time and expertise freely.

During the pandemic, we hosted "Vollies" online, an awards ceremony to express gratitude to our volunteers for their support over the years. Thanks to a grant from the Jack Petchey Foundation, we were able to transform the ceremony into a live event with a "Black Tie" theme. We were delighted to welcome Members, Parents, Trustees, and our Patron, Lucy Benjamin, for an evening worthy of our Blue Tees. The event was a resounding success, with over 100 attendees, celebrating their invaluable contributions and hopefully inspiring their continued support for our charity.



In addition, we organised three team-building days, one of which featured a "Traitors Day," inspired by the popular TV game show. This proved to be a tremendous success and has now become an annual fixture in our calendar.

Having never looked into the success and risks of our volunteer programme we decided to seek some funding into researching and developing it. We secured a £2,500 investment from Fidelity International to further develop our volunteer programme. We gathered insights from our current volunteers, aiming to understand their perspectives and experiences better. This collaborative effort will create a more inclusive foundation for the volunteer programme, grounded in the voices and experiences of our valued volunteers.

The contribution of our volunteers is immeasurable beyond the hours they give, their energy, enthusiasm, dedication and goodwill are vital to The Habbit Factory. Our volunteers are a precious resource and enable us to deliver our programmes and activities. We are truly indebted to them.

**Artistic Programming**

The focus of 2023-2024 was on securing the sustainability of the high-quality productions established in previous years. We successfully premiered "The Toy Factory," a production originally set for 2020 but postponed due to the pandemic. Additionally, our Pantomime, "Rapunzel," added a night due to popular demand from the previous years and sold-out, while the Adult Company's production of "Billie Gene" surpassed all expectations, marking it as their most well-rounded performance to date.

Below are some additional details about each production:





The Toy Factory - Children's Company

In 2019, our infant, junior, and senior company, supported by our Blue Tees, began crafting "The Toy Factory" for its original performance date set for May 2020. However, the onset of the pandemic meant we had to cancel the show just weeks before its scheduled date. Upon our return from the pandemic, our young people were eager to revive the production. However, due to staffing constraints, we made the decision to delay it by an additional year.

To infuse the performance with new energy and ensure that all our new Members and Blue Tees felt a sense of ownership over the story, we decided to rework certain sections. Finally, in June 2023, we staged the production at the Queen's Theatre, Hornchurch.

"The Toy Factory" involved 163 children and young people, with over 35% of them stepping onto the stage for the very first time. The performance highlighted the negative impact technology has on our imagination set in an old toy shop. It was an emotional journey, heightened by the inclusion of the song "You Will Be Found" at the end of act 1, a piece we had recorded and shared online during the pandemic. While ticket sales reached around 80%, slightly below our annual target of 85%, they included funding to provide free tickets for Members to attend the alternate showing they were not part of.

Our young people played a crucial role in designing the set for this production, which I believe surpassed anything we had done before. Led by Luis and his team, we constructed a full-size toy shop that cleverly opened like a book to reveal a to-scale toy set behind it. Moreover, the design was crafted with environmental sustainability in mind, after collecting the materials from Queen's Theatre as they finished one of their performance, Luis ensured that the flats could be utilised for future productions as well.





Rapunzel Pantomime - Full Company

The pantomime project began in 2017 following discussions with our community, members, families, and volunteers. These conversations highlighted the need for staff and Blue Tees to take on lead roles and perform themselves. In previous years, only the Blue Tees performed in these roles, but our goal was to provide more opportunities for children and young people. As a result, we opened up participation to our Junior and Senior company, resulting in a larger and more diverse cast and a truly inclusive pantomime.

Last year, our Pantomime "Jack and the Beanstalk" achieved its greatest artistic success yet. This year, we aimed to match it, and I believe we did! Building on last year's four sold-out performances, we set out for five runs, once again selling out each show.

The set for this years production was HUGE. Luis and his team created a 6 metre high tower all supported by scaffolding to ensure the safety of the cast and audience. They were also able to build multiple flats that were reusable from 'The Toy Factory'. We were also generously given a high tech theatre projector which enabled us to set the backdrops. Unfortunately due to other commitments, Luis is unable to continue to produce sets moving forward. I want to thank him for his time with us.

"Rapunzel" showcased the power of our community coming together to create an amazing, low-cost experience for everyone. The cast included 26 Blue Tees, 56 children and young people, supported by 6 tech and backstage crew, while our front of house team of 7 welcomed 1014 members of the community. Here are some highlights:

- 92% of our audience would highly recommend the pantomime to a friend.
- Every attendee (100%) believed the pantomime offered excellent value for money.
- 77% of attendees felt the pantomime exceeded their expectations, with 23% feeling it met them.
- 44% of our audience were first-time attendees, totalling over 400 people.
- 29% of our audience are repeat visitors, having seen four or more of our previous pantomimes.
- **41% of our audience had no personal connections with any cast members.**

Following the show, we once again inspired many members of the community to join our regular activities at The Habbit Factory, whether as part of our Membership or Volunteer Programme.



Billie Gene

Originally scheduled for October 2023, 'Billie Gene' was delayed due to staffing constraints. The group agreed that it would be best to reschedule the jukebox musical to March 2024.

Following reviews from our Adult Company's previous production, 'Hallows Eve', the group along with our team decided it would be best to reduce the length of its production to a one act musical. Several weeks were dedicated to deliberating the concept, which revolved around the idea of a jukebox musical featuring music from the 1980s.

We tried a bold artistic venture, with most performers portraying characters who remained on stage throughout the production. Rehearsing at the Myplace Centre facilitated seamless scene transitions, enhancing the overall performance experience.

While the production sold only 52% of tickets, resulting in a significant financial loss, it served as an experiment that transformed the "Blueprint" for future Adult Company productions.

I recently announced to the group that this would be my final production directing and writing for the Adult Company. The Habbit Factory is now seeking a new Associate Artistic Director to lead the creative direction of the Adult Company. I am excited to witness the group's future endeavours!

**Future plans**

The initial phase of our three-year business plan proved to be a resounding success, as we expanded the organisation's capacity to sustain its long-term objectives.

Moving forward, our focus for the upcoming year will be on evaluating the workload of our core team and actively seeking funding opportunities to expand it, This will relieve pressures and ensure smoother operations. Additionally, we aim to build upon our recent achievements and meet increasing demand while strategically positioning The Habbit Factory for an application to the Arts Council for NPO (National Portfolio Organisation) funding in the next funding round.



# Financial report

Below are our draft accounts for last year, which are subject to review but are not expected to materially change.

Financially, our charity had a solid performance over the last financial year (12 months ending March 2024). Income was the highest ever – at just over £150,000; fundraising (grant) income was our best ever (including accrued income from 2022/3 around £30k).

Overall, our income increased around 50% versus last year - double what it was two years ago. However, costs also increased – mainly driven by staff costs and consultancy. All our employees are now on permanent contracts (PAYE), an important step to ensure that we have a core leadership team to take the charity forward. Consultancy costs continue to support our essential grant applications.

Of course, the finances don't do justice to the vast amount of value that the charity receives from its volunteers, including Blue Tees, staff, families, members, trustees and others (for example, including the accountancy firm that kindly support us with payroll and the annual accounts). This value, no doubt, would exceed the numbers you see below. Thank you!

It is worth noting that our charity primarily relies on this continued volunteer support and, especially, grant support to pay for our employees and operation costs. The team did a great job last year of securing Lottery funding for the next 5 years, as well as continued support from Children In Need and Arts Council England amongst other grant giving organisations.

Continued grant support is vital for the continued success of the charity, as well as other fundraising, if we are to continue to sustain our current programmes and continue to build our charity for the future. Whilst we again had a surplus last year, increasing our reserves by just over £1,000, to almost £31,000, our ratio of reserves to average monthly expenditure reduced from just over 3.6 to 2.5. To put this simply, without ongoing fundraising, our charity has enough reserves to pay its average costs for just 2.5 months.

In summary, the charity has a great year with its productions – and the finances are stable for now, so I have no immediate concerns. But fundraising remains a key priority for the year(s) ahead to ensure our continued success; this remains an important and key focus for the Trust Board.

I continue to feel privileged to continue to support our great charity and to be associated with the fantastic people that work and volunteer within it.

Tim Steel FCMA, CGMA
Treasurer.

# End of year accounts (draft)

## Summary Profit and Loss - year ended 31 March 2024 *(draft)*

*Subject to external review*

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Trusts and Foundation grants | £ 73,737 | £ 28,400 | £ 40,977 | | |
| Member programme donations | £ 17,508 | £ 23,436 | £ 15,659 | £ 9,567 | £ 24,295 |
| Educational programme fees | £ 19,480 | £ 18,372 | £ 8,310 | | £ 6,876 |
| Panto & Summer Show | £ 24,392 | £ 17,079 | | | |
| Corporate & Individual giving | £ 10,091 | £ 9,548 | £ 3,921 | | |
| Summer workshops | £ - | £ 1,260 | £ 1,700 | | £ 1,100 |
| Tickets, events and challenges | £ 5,366 | £ 3,113 | £ 1,882 | | £ 1,147 |
| Bank interest | £ 637 | £ 35 | £ 1 | £ 4 | £ 34 |
| **Total income** | **£ 151,211** | **£ 101,243** | **£ 72,450** | **£ 9,571** | **£ 33,452** |
| **Expenditure** | | | | | |
| Staffing and consultancy | £ 105,199 | £ 65,958 | £ 47,259 | £ 14,600 | £ 27,748 |
| Panto & Summer Show | £ 25,466 | £ 14,606 | | | |
| Venue hire & expenses | £ 8,140 | £ 9,941 | £ 5,653 | £ 155 | £ 11,034 |
| Equipment, insurance & overheads | £ 8,946 | £ 5,123 | £ 3,705 | £ 1,791 | £ 6,455 |
| Other performance costs | £ 2,243 | £ 2,066 | £ 1,447 | | £ 2,476 |
| **Total expenditure** | **£ 149,993** | **£ 97,694** | **£ 58,064** | **£ 16,546** | **£ 47,713** |
| **Profit / (loss) on activities** | **£ 1,218** | **£ 3,549** | **£ 14,386** | **£ (6,975)** | **£ (14,261)** |

## Balance Sheet as at 31 March 2024 *(draft)*

**Registered Charity Number: 1162418**

*Subject to audit*

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Trade debtors | £ 2,800 | £ 2,730 | £ - | £ - | £ 2,400 |
| Bank/building society balances | £ 31,711 | £ 59,100 | £ 26,152 | £ 11,746 | £ 19,588 |
| Cash in hand (Petty Cash) | £ - | £ - | £ - | £ 20 | £ 20 |
| | **£ 34,511** | **£ 61,830** | **£ 26,152** | **£ 11,766** | **£ 22,008** |
| **Liabilities** | | | | | |
| Grants received in advance | £ - | £ 29,450 | | | |
| Trade Creditors | £ 3,593 | £ 2,678 | £ - | £ - | £ 3,268 |
| | **£ 3,593** | **£ 32,128** | **£ -** | **£ -** | **£ 3,268** |
| **Net assets** | **£ 30,918** | **£ 29,701** | **£ 26,152** | **£ 11,766** | **£ 18,740** |

| **Net charity assets represented by:** | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Capital account: | | | | | |
| Balance at start of period | £ 29,701 | £ 26,152 | £ 11,766 | £ 18,741 | £ 33,002 |
| Net surplus (deficit) | £ 1,218 | £ 3,549 | £ 14,386 | £ (6,975) | £ (14,261) |
| | **£ 30,918** | **£ 29,701** | **£ 26,152** | **£ 11,766** | **£ 18,741** |
| **Surplus funds** | | | | | |
| Restricted expenditure | | £ - | £ 12,500 | £ 1,762 | £ 18,741 |
| Unrestricted expenditure | £ 30,918 | £ 29,701 | £ 13,652 | £ 10,004 | £ - |
| | **£ 30,918** | **£ 29,701** | **£ 26,152** | **£ 11,766** | **£ 18,741** |

CHARITY COMMISSION FOR ENGLAND AND WALES

# Independent examiner's report on the accounts

## Section A Independent Examiner's Report

| | | | |
|---|---|---|---|
| **Report to the trustees/ members of** | The Habbit Factory | | |
| **On accounts for the year ended** | 31 March 2024 | **Charity no (if any)** | 1162418 |
| **Set out on pages** | As per the attached accounts | | |

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31st March 2024.

**Responsibilities and basis of report**

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

| | | | |
|---|---|---|---|
| **Signed:** |  | **Date:** | 6th Dec 2024 |
| **Name:** | Kaan Fehmi | | |
| **Relevant professional qualification(s) or body (if any):** | ACMA, CGMA | | |
| **Address:** | Cryalls House, Auckland Drive, Sittingbourne, Kent. ME10 1HN | | |

# The Habbit Factory

Registered Charity Number 1162418

## Accounts for the period:
## 1st April 2023 – 31st March 2024

**Business Information**

**Trustees**

Robert Lithgow (Chair)
Kieran O'Callaghan (Acting Treasurer)
Guleraana Mir (Acting Secretary)
Georgina Hart
Neera Dhir
Dimple Pau
Makola Mayambika

**Other**

Lee Giles (CEO)
Tim Steel (Non-executive advisor)

**Bankers**

NatWest (Hornchurch)
120-122 High Street
Hornchurch
Essex RM12 4UL

**Registered Charity Address**

The Habbit Factory
c/o Queen's Theatre
Billet Lane
Hornchurch
Essex RM11 1QT

**Approval statement:**

The undersigned approve the accounts which comprise of the Profit and Loss Account and the Balance Sheet. The accounts have been prepared on an accrual basis in accordance with accounting standards, including the provisions of FRS102.



Tim Steel
(FCMA, CGMA)



Kieran O'Callaghan
(Act. Treasurer)



Robert Lithgow
(Chair)

6th December 2024

## Summary Profit and Loss - year ended 31 March 2024

| | | 2024 | | 2023 |
|---|---|---|---|---|
| **Income** | | | | |
| Trusts and Foundation grants | £ | 73,737 | £ | 28,400 |
| Member programme donations | £ | 17,508 | £ | 23,436 |
| Educational programme fees | £ | 19,480 | £ | 18,372 |
| Panto & Summer Show | £ | 24,392 | £ | 17,079 |
| Corporate & Individual giving | £ | 10,091 | £ | 9,548 |
| Summer workshops | £ | - | £ | 1,260 |
| Tickets, events and challenges | £ | 5,366 | £ | 3,113 |
| Bank interest | £ | 637 | £ | 35 |
| **Total income** | **£** | **151,211** | **£** | **101,243** |
| **Expenditure** | | | | |
| Staffing and consultancy | £ | 105,199 | £ | 65,958 |
| Panto & Summer Show | £ | 25,466 | £ | 14,606 |
| Venue hire & expenses | £ | 8,140 | £ | 9,941 |
| Equipment, insurance & overheads | £ | 8,946 | £ | 5,123 |
| Other performance costs | £ | 2,243 | £ | 2,066 |
| **Total expenditure** | **£** | **149,993** | **£** | **97,694** |
| **Profit / (loss) on activities** | **£** | **1,218** | **£** | **3,549** |

## Balance Sheet as at 31 March 2024

| | | 2024 | | 2023 |
|---|---|---|---|---|
| **Assets** | | | | |
| Trade debtors | £ | 2,800 | £ | 2,730 |
| Bank/building society balances | £ | 31,711 | £ | 59,100 |
| Cash in hand (Petty Cash) | £ | - | £ | - |
| | **£** | **34,511** | **£** | **61,830** |
| **Liabilities** | | | | |
| Grants received in advance | £ | - | £ | 29,450 |
| Trade Creditors | £ | 3,593 | £ | 2,678 |
| | **£** | **3,593** | **£** | **32,128** |
| **Net assets** | **£** | **30,918** | **£** | **29,701** |
| **Net charity assets represented by:** | | **2024** | | **2023** |
| Capital account: | | | | |
| Balance at start of period | £ | 29,701 | £ | 26,152 |
| Net surplus (deficit) | £ | 1,218 | £ | 3,549 |
| | **£** | **30,918** | **£** | **29,701** |
| **Surplus funds** | | | | |
| Restricted expenditure | | | £ | - |
| Unrestricted expenditure | £ | 30,918 | £ | 29,701 |
| | **£** | **30,918** | **£** | **29,701** |

CHARITY COMMISSION FOR ENGLAND AND WALES

# Independent examiner's report on the accounts

## Section A Independent Examiner's Report

| | | | |
|---|---|---|---|
| **Report to the trustees/ members of** | The Habbit Factory | | |
| **On accounts for the year ended** | 31 March 2024 | **Charity no (if any)** | 1162418 |
| **Set out on pages** | As per the attached accounts | | |

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31st March 2024.

**Responsibilities and basis of report**

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

| | | | |
|---|---|---|---|
| **Signed:** |  | **Date:** | 6th Dec 2024 |
| **Name:** | Kaan Fehmi | | |
| **Relevant professional qualification(s) or body (if any):** | ACMA, CGMA | | |
| **Address:** | Cryalls House, Auckland Drive, Sittingbourne, Kent. ME10 1HN | | |

# The Habbit Factory

Registered Charity Number 1162418

## Accounts for the period:
## 1st April 2023 – 31st March 2024

**Business Information**

**Trustees**

Robert Lithgow (Chair)
Kieran O'Callaghan (Acting Treasurer)
Guleraana Mir (Acting Secretary)
Georgina Hart
Neera Dhir
Dimple Pau
Makola Mayambika

**Other**

Lee Giles (CEO)
Tim Steel (Non-executive advisor)

**Bankers**

NatWest (Hornchurch)
120-122 High Street
Hornchurch
Essex RM12 4UL

**Registered Charity Address**

The Habbit Factory
c/o Queen's Theatre
Billet Lane
Hornchurch
Essex RM11 1QT

**Approval statement:**

The undersigned approve the accounts which comprise of the Profit and Loss Account and the Balance Sheet. The accounts have been prepared on an accrual basis in accordance with accounting standards, including the provisions of FRS102.



Tim Steel
(FCMA, CGMA)



Kieran O'Callaghan
(Act. Treasurer)



Robert Lithgow
(Chair)

6th December 2024

## Summary Profit and Loss - year ended 31 March 2024

| | | 2024 | | 2023 |
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| **Liabilities** | | | | |
| Grants received in advance | £ | - | £ | 29,450 |
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| | **£** | **3,593** | **£** | **32,128** |
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| **Surplus funds** | | | | |
| Restricted expenditure | | | £ | - |
| Unrestricted expenditure | £ | 30,918 | £ | 29,701 |
| | **£** | **30,918** | **£** | **29,701** |

**THE HABBIT FACTORY**

England & Wales - Charity number 1162418

# Accounts



# 2022 - 2023
# ANNUAL REPORT & FINANCIAL STATUS

WWW.THEHABBITFACTORY.ORG

CHARITY NUMBER - 1162418

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# Chairman's Summary

I am delighted to once again be to presenting our end-of-year report for The Habbit Factory with positive news. This year has been a very successful one for the charity, with many highlights.

Revenue for the year grew by almost £29,000, which is a significant increase! This growth was due to a number of factors, which are outlined by Tim in the Treasurer's report later, but it feels great to say that the charity has continued to develop a more stable financial position. Alongside this increase in revenue, we have been diligent in the management of expenses. Therefore, the charity has a healthy reserve fund which will ensure we are able to serve our community both today and in the future.

We presented three incredible performances last year: The Last Resort, Jack and the Beanstalk, and Hallows Eve. All three shows were well-received by audiences, allowed all our members to showcase their efforts, and we were pleased with ticket sales.

The number of members grew by 11%. This is due to a number of factors, including the success of the performances, the increased marketing efforts of the charity, and the positive word-of-mouth from members.

Our Education and Outreach Programme also grew. The programme provides theatre workshops to schools and community groups, which is now reaching more children and young people than ever before, with plans to offer even more workshops in 2023/24.

The charity recently announced an exciting partnership with Queen's Theatre Hornchurch, which will allow the two organisations to share resources, knowledge, and skills. This will help to strengthen both organisations and will allow them better serve members and volunteers.

The charity has grown in many ways, and is now in its strongest ever position to provide high-quality performing arts to the community. I would like to thank all of the people who have helped the charity to achieve its success this year. This includes our board of trustees, our staff, our volunteers, our sponsors, our donors, and our members. Only with your support can we continue to make a positive impact on the lives of people in our community, and with this support I am confident that the charity will continue to grow and thrive in the years to come.





## LEGAL STRUCTURE

| | |
|---|---|
| Board of Trustees: | Robert Lithgow (Chair)<br>Tim Steel (Treasurer)<br>Carron Beckwith (Secretary)<br>Cleonah Springer-Clarke<br>Georgina Hart<br>Guleraana Mir<br>Kieran O'Callaghan<br>Owen Smith |
| Executive Officer: | Lee Giles (Artistic Director and CEO) |
| Registered Office: | Queen's Theatre<br>Hornchurch<br>Essex<br>RM11 1QT |
| Registered Charity: | 1162418 |
| Bankers: | NatWest<br>120 - 122 High St,<br>Hornchurch<br>Essex<br>RM12 4UL |
| Accountants: | Fox Accountancy<br>144 Hall Ln,<br>Upminster<br>RM14 1AT |





# The Organisation

**Who we are**

We are an inclusive arts organisation in The London Borough of Havering. Welcoming all and working with some of the most excluded and disadvantaged children, young people and adults in the area. Through a targeted network of partners our work helps people who do not see themselves as artists or have access to any creative engagement or provision.

**Legal Structure & Objects**

The Habbit Factory is a registered charity. Members of the Board act as Trustees and Directors of the charity. The overall objects and powers of the Trust are set out in our written constitution. The object for which the charity is established is the advancement of education in the fields of the arts, principally to advance the education of children and young people in all aspects of the performing arts through the provision of workshops and opportunities to participate in artistic performances.

**Governance**

The Board of Directors has full legal responsibility for the corporate governance of the The Habbit Factory. Directors/Trustees are required to act in accordance with the charity's constitution. Directors are appointed on the basis of specific skills and knowledge to enable them to make a contribution to the management of the charity. In order to understand their role and current issues facing the organisation, each new Director is provided with specific tailored information, including; copies of Governing Documents, Board Minutes, Annual Accounts. Opportunities are provided for new Directors to engage with the Chairman and Executive Director, as well as meeting with staff working within their own area of specialism. The Board meet quarterly and review cross-organisation performance and development. Finance is the responsibility of the Finance Committee, which consists of the Chair, Treasurer, and Executive Director. It oversees the development of business plans and recommends the Annual Budget to the Board. It reviews progress through the management account and re-forecasting process, tightly monitors overheads and exerts rigorous control over all outlays. Being responsible for monitoring income delivery is an essential part of the discussions of the Finance Committee.

**Management**

The operational running of the theatre company is delegated to the Executive Director. managing operations of the charity, assessing progress against artistic, education and business plans. Communication within the company, and to the wider Habbit Factory community, is facilitated through face-to-face briefings (including staff and volunteer meetings), complemented by communications via email. It is important to document that the Habbit Factory's boasts a strong voluntary team who are vital to our work.

# The Organisation

**Risk Assessment**

Systems of internal control within the Trust are designed to provide reasonable reassurance against material mis-statement or loss. These include:

- Strategic and operational plans and an annual budget
- Consideration of financial and non-financial results on a regular basis
- Identification and management of risks

The Board has overall responsibility for ensuring that risk is managed in a constructive and considered manner and judge that the systems currently established mitigate the major risks identified and are appropriate for the present size of the charity. The most significant risks affecting the charity are liquidity and cash flow risk. The Finance Committee continues to monitor this aspect of the company's operations on behalf of the directors through review of management accounts and re-forecasting, particularly in relation to income.

**Reserves Policy**

The charity continues its commitment to build meaningful reserves. After diving into our reserves, due to the pandemic, we are now looking at ways to rebuild so that the charity can meet unexpected shortfalls or cash flow difficulties. Following two years of substantial growth we haven't been able to reach our reserves target however in the longer-term the Board would wish to establish reserves of six months cover at the earliest convenience.

**Financial report**

Please see page 10 for accounts and report from the Treasurer.





4



# Chief Executive Report

Founded in 2004, The Habbit Factory's vision is for an inclusive world where everyone has equal access to the arts.

Working within the London Borough of Havering, our approach is built on the principles of inclusivity, which welcomes **everyone**. As the only organisation that supports disability arts in the borough and through a targeted network of partners; we are able to connect with individuals who often get overlooked within the community.

We believe **art has the power to effect change**. Evidence continues to suggest that the creative arts is one of the most powerful tools to bring people together, breaking down social and cultural barriers, whilst helping the most vulnerable to lead a fulfilling and dignified life.

Through programmes and activities facilitating education, theatre, participation, and professional training, The Habbit Factory breaks down barriers to inclusion and transforms wellbeing.

The Habbit Factory works with children and young people from ages three and above and adults of all ages. Our inclusive ethos means we welcome people from diverse backgrounds, and our community is made up of people from across all of society, including those experiencing social exclusion in mainstream environments for whom we provide additional support. These potential barriers to participation include: socio economic disadvantages, learning disabilities physical disabilities; illness and long-term medical conditions; sensory impairments; abuse and neglect; behavioural difficulties; mental health issues; being in the care system; and having caring responsibilities.



# Chief Executive report (continued)

**Resilience Reigns: A Year of Battling for the Better**

After a triumphant rebound from the pandemic in 2021-2022, when we were unable to showcase our creative work, this year was dedicated to doing just that - and we exceeded all expectations! Three large-scale performances left our creative endeavours widely acknowledged by the community, and our collaborative co-creation approach became acknowledged. The addition of a new staff member in the role of Participation Manager/SEND Inclusion Officer eased the core team's workload. Our organisational turnover grew by almost £29,000 from the previous year, as we secured long-term funding that will propel us into an exciting three-year plan.

**The Board**

The Board have been incredibly supportive of our organisation's growth while also recognising the need for improvements in governance and current processes. Thanks to the efforts of our Treasurer, Tim, we were able to gain access to our bank account and establish online banking, which has streamlined our processing. As I write this report, Tim and the rest of the board are in their third year of tenure, having successfully addressed immediate challenges and are now leveraging their professional and personal experiences to enhance our organisation's work and developing a three-year plan, while upholding strong governance practices for our growing charity. We have also received interest from other professionals to join the board, and we recognise the need for individuals with legal, HR, and governance backgrounds to further strengthen our team in the future.

**Organisational development**

I reiterate my words in last years report "No organisation should ever stop thinking about it!" My knowledge in my role has grown exponentially since recruiting consultant Adam Gallacher. So much so that whilst I still lean on him for a lending ear, our focus has shifted towards fundraising with a particular focus on grant writing as this is still not my skillset.

We have secured a strategic partnership with the Queens Theatre, Hornchurch where we agreed to develop a partnership that both supports and increases opportunity for under-served and under-represented communities across Havering, specifically engaging with young people and D/deaf disabled and neuro-diverse individuals through creative activity. We also secured a partnership with Havering Pupil Referral Unit to provide workshops and opportunities in PRU's, targeting those struggling in educational establishments.

**Core team**

This year has proved tough for the core team. With Hannah (Membership Programme facilitator and choreographer) on maternity leave from October 2021 - July 2022 we were seeking cover. We welcomed a new creative, Kelly who choreographed our children's company musical "The Last Resort". Since stepping down from maternity cover, she has continued supporting our work on a voluntary basis as a Blue Tee.

With Hannah back in July 2022, we went straight into rehearsals for our annual Pantomime "Jack and the Beanstalk" and our adult company production of "Hallows Eve".. Hannah choreographing both to great success.

Adam has also become a part of the core team. After the grant from ACE had finished, the board and I decided to continue to work with him until the foreseeable future with him taking on fundraising.

We are delighted to have extended the contract of our SEND Inclusion officer, H, after her one-year fixed term, which was supported by the National Lottery. H has become an essential component in the smooth running of the Habbit Factory, frequently carrying out tasks that go unnoticed by others.

**Strategies employed to achieve the charity's aims and objectives**
In pursuit of our charitable aims we have continued to reach our beneficiaries through focusing our work in the key strategic areas of Membership Programme, Educational & Outreach Programme, Volunteer Programme, Artistic Programming & Governance and Operations. Key activities and achievements are detailed below:

**Membership Programme**
This year marked the implementation of the revised Membership Programme, which was developed during the pandemic. The Habbit Factory offers, through its Membership Programme, opportunities for children, young people and adult members to co-create theatre alongside our professional artistic staff, and our volunteer Blue Tees thus developing essential transferable skills for the future.

In the 2022-2023 period, we had 145 members who attended our sessions on a weekly basis. Our focus was to support both newcomers to the arts and individuals who have been with us for a longer period and wish to further develop their skills. Between April 2022 and March 2023 our Membership programme worked with a total 174 beneficiaries. Of these, 87 identified as having an additional support need or were at risk within their community due to access needs.

We strive to offer numerous opportunities for the community, which is why we opted to extend participation in our annual pantomime beyond our staff and volunteers, making it available to members of our Junior and Senior company as well. It was a remarkable chance for them to lend support to the production as part of the chorus, and the outcome was overwhelmingly positive. Our decision to expand involvement in the pantomime to a wider audience was a great success, enabling more individuals to participate and contribute to the success of the show.

During the year we were also able to win funding from ACE to support the opening of a new hub in Barking & Dagenham (B&D) from September 2023. This is in direct response to the number of Membership applications coming from within the borough and not having the capacity to support them in our Havering hubs.






**Education and Outreach Programme**

The Habbit Factory's Education and Outreach programme took on a huge overhaul during this year. Whilst we continued to have one regular facilitator in workshops we secured contracts with three schools offering seven weekly workshops term time.

Our Educational Programme is a co-created drama model which supports pupils in educational establishments who are struggling to find their place in the world, giving them agency to effect change in their life. THF delivers targeted provision in some of the UK's most deprived schools. Many of the participants in this programme go on to our Membership programme where we offer a longer-term provision outside of their school.

We continued to have conversations with headteachers and teachers who are wanting an alternative way to teach pupils aiming at those who find it easier to work in a more practical way. This programme does not only benefit the individual, it benefits the educational establishments peer engagement, peer connectivity, inclusivity, acceptance, and equality.

Following on from our successful Arts Council bid to open a new hub in B&D we wanted to emulate our current work not only with the Membership Programme but also with our Educational Programme in Havering. We are currently in search for an Educational & Outreach Manager funded through the bid. By bringing on board a dedicated staff member, we intend to ease the workload of our current team while simultaneously expanding the capacity of our core team to accommodate growth. This will enable us to offer an even more extensive range of educational opportunities to our community.

**Volunteer Programme**

In 2022/23, 27 volunteers (our Blue Tees) gave an estimated total of 4,000 hours to The Habbit Factory. (This excludes hours given voluntarily by Members of Staff, families, and members). When multiplied by the London Living Wage this would equate to around £50,000 in terms of value. And this excludes the value of our Trustee Board, who also all give their time and expertise freely.

The contribution of our volunteers is immeasurable beyond the hours they give, their energy, enthusiasm, dedication and goodwill are vital to The Habbit Factory. Our volunteers are a precious resource and enable us to deliver our programmes and activities. We are truly indebted to them.

**Artistic Programming**

From an artistic standpoint, this year surpassed all others in terms of success. We produced three outstanding productions that surpassed the standards of previous years, earning us a reputation for delivering exceptional quality theatre that has resonated with both the local and theatre communities. The titles of the three productions were "The Last Resort," "Hallows Eve," and "Jack and the Beanstalk." Below are some additional details about each production:

<u>The Last Resort</u>

Our infant, junior, and senior company, with the support of our Blue Tees, created and performed our first production since the pandemic. This performance featured 140 children and young people, with over 40% performing on stage for the very first time. It was a perfect representation of our work and values, reminding everyone of who we are. The production was a huge success, with 89% of the 1016 tickets sold.

The production had new choreographer, Kelly, who provided maternity cover and brought a fresh approach to the movement and choreography. Despite this change, our members adapted quickly and took to the new working style with enthusiasm.






Hallows Eve

Before the pandemic, the group shared the task of writing the script for Hallow's Eve - which was a different from our usual practice. Unfortunately, the production didn't perform as well as anticipated, with only 48% of tickets sold (96 out of 200) due to fundraising challenges. As a result, we had to reduce our expenses for this project. This included cutting back on rehearsal time in the space and not bringing in an experienced lighting designer. The resulting process was less smooth and more stressful than we had hoped for the participants, volunteers, and team. Lessons were learnt as we prepare for our 2023 production.

Jack and the Beanstalk - Pantomime

In my view, The Habbit Factory achieved its greatest artistic success so far with this production. The pantomime project began in 2017 following discussions with our community, members, families, and volunteers. These conversations highlighted the need for staff and Blue Tees to take on lead roles and perform themselves. In previous years, only the Blue Tees performed in these roles, but our goal was to provide more opportunities for children and young people. As a result, we opened up participation to our Junior and Senior company, resulting in a larger and more diverse cast and a truly inclusive pantomime.

Initially, we had planned for three performances, but ticket sales were so popular that all three sold out three weeks before the production. With financial support from Havering Changing, which aimed to support our accessibility goals, we were able to add another performance, which also sold out. We are proud to note that 35% of our audience had no prior connection to the charity and did not know anyone in the production, which helped to spread our message and raise our profile within the community.

**Future plans**

After successfully implementing two one-year strategic plans to secure our immediate future following the pandemic, we are embarking on a three-year business plan for the first time ever.

Over the next 3 years we want to build on our recent successes and continue to meet demand whilst strategically positioning THF for an application to the Arts Council for NPO (National Portfolio Organisation) funding at the next round.



# Financial report

Below are the financial statements for the year ended 31st March 2023.

In summary, our revenue for last year grew by almost £29,000, mainly due to the increased generosity of corporate and individual donations, as well as the success of our shows and growing educational programme.

Actual cash received by our charity was, in fact, £29,450 higher than shown for the year. This grant amount relates to our 2023/4 year, mostly to support our growing educational programme. Our balance sheet shows this as an advance payment and is therefore income that we already have "in the bank". A great start for 2023/4! In total, this means that almost £60,000 was raised from grants last year – a record.

Our costs for 2022/3 grew by almost £40,000. Half of this increase is driven by our strengthening the core team, as already described by our CEO above, with the rest driven by a bigger investment in our shows (which of course also drives revenue), and general inflation.

We still made a surplus of £3,549 for last year – not counting the £29,450 received for projects planned for 2023/4. We should also note that around £12,500 of the 2021/2 income was restricted to future projects but was accounted as income in that year, so in analysing income it is worth looking at these two years together and, if we adjusted for this, would mean that 2023 was in fact our biggest fundraising year ever.

As shown by the balance sheet, we now have reserves of slightly under £30,000, equivalent to 30% of our 2022/3 cost base – just under 4 months of expenses.

As mentioned in the CEO statement, we finally managed to update our bankers (NatWest) with our current trustees' details and obtain online access, making admin much easier. We have also started to develop improved financial management reporting and forecasting, and financial controls, to help support our future.



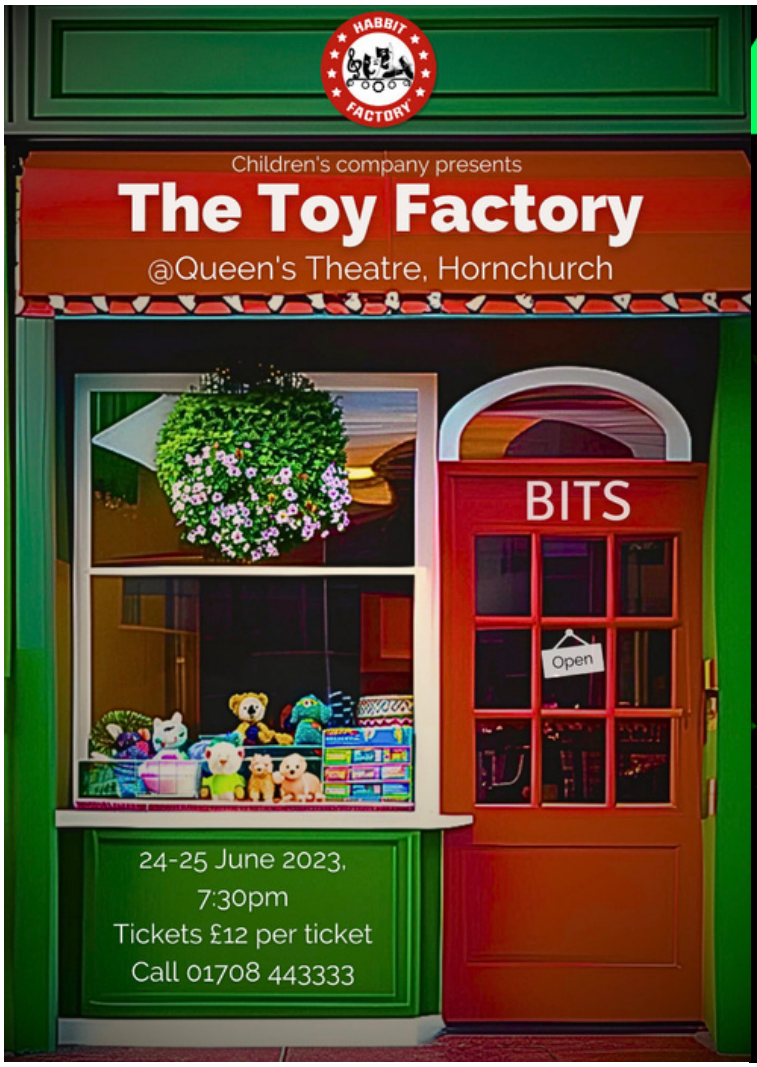


# Financial report

Overall, our charity has delivered a strong financial performance over the last year with some outstanding fundraising. There is significant revenue and cost growth which, on the one hand, shows the strides we have made to grow the charity and support our members. On the other hand, like any charity, fundraising continues to be the ongoing challenge – and essential to ensure that we can continue to raise enough to support for our members and communities, as well as to build reserves to provide for any unusual events.

Finally, I must again thank Angela Boodhun, our Finance officer, who has continued to support us – especially with invoicing, which brings in revenue! And I must also thank all of those who have kindly donated and supported the finances of The Habbit Factory, and who continue to do so!

Tim Steel
Treasurer






# Accounts

## Summary Profit and Loss - year ended 31 March 2023

| | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Income** | | | | |
| Trusts and Foundation grants | £ 28,400 | £ 40,977 | | |
| Member programme donations | £ 23,436 | £ 15,659 | £ 9,567 | £ 24,295 |
| Educational programme fees | £ 18,372 | £ 8,310 | | £ 6,876 |
| Panto & Summer Show | £ 17,079 | | | |
| Corporate & Individual giving | £ 9,548 | £ 3,921 | | |
| Summer workshops | £ 1,260 | £ 1,700 | | £ 1,100 |
| Tickets, events and challenges | £ 3,113 | £ 1,882 | | £ 1,147 |
| Bank interest | £ 35 | £ 1 | £ 4 | £ 34 |
| **Total income** | **£ 101,243** | **£ 72,450** | **£ 9,571** | **£ 33,452** |
| **Expenditure** | | | | |
| Staffing and consultancy | £ 65,958 | £ 47,259 | £ 14,600 | £ 27,748 |
| Panto & Summer Show | £ 14,606 | | | |
| Venue hire & expenses | £ 9,941 | £ 5,653 | £ 155 | £ 11,034 |
| Equipment, insurance & overheads | £ 5,123 | £ 3,705 | £ 1,791 | £ 6,455 |
| Other performance costs | £ 2,066 | £ 1,447 | | £ 2,476 |
| **Total expenditure** | **£ 97,694** | **£ 58,064** | **£ 16,546** | **£ 47,713** |
| **Profit / (loss) on activities** | **£ 3,549** | **£ 14,386** | **£ (6,975)** | **£ (14,261)** |

## Balance Sheet as at 31 March 2023 *(draft)*
## Registered Charity Number: 1162418
*Unaudited*

| | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Assets** | | | | |
| Trade debtors | £ 2,730 | £ - | £ - | £ 2,400 |
| Bank/building society balances | £ 59,100 | £ 26,152 | £ 11,746 | £ 19,588 |
| Cash in hand (Petty Cash) | | £ - | £ 20 | £ 20 |
| | **£ 61,830** | **£ 26,152** | **£ 11,766** | **£ 22,008** |
| **Liabilities** | | | | |
| Grants received in advance | £ 2,679 | | | |
| Trade Creditors | £ 29,450 | £ - | £ - | £ 3,268 |
| | **£ 32,129** | **£ -** | **£ -** | **£ 3,268** |
| **Net assets** | **£ 29,701** | **£ 26,152** | **£ 11,766** | **£ 18,740** |

| **Net charity assets represented by:** | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Capital account: | | | | |
| Balance at start of period | £ 26,152 | £ 11,766 | £ 18,741 | £ 33,002 |
| Net surplus (deficit) | £ 3,549 | £ 14,386 | £ (6,975) | £ (14,261) |
| | **£ 29,701** | **£ 26,152** | **£ 11,766** | **£ 18,741** |
| **Surplus funds** | | | | |
| Restricted expenditure | £ - | £ 12,500 | £ 1,762 | £ 18,741 |
| Unrestricted expenditure | £ 29,701 | £ 13,652 | £ 10,004 | £ - |
| | **£ 29,701** | **£ 26,152** | **£ 11,766** | **£ 18,741** |

***Prepared by:***

Tim Steel ACMA, CGMA, ACIB, FMCI
Treasurer, The Habbit Factory



1st Nov 2023

CHARITY COMMISSION FOR ENGLAND AND WALES

# Independent examiner's report on the accounts

## Section A Independent Examiner's Report

| | | | |
|---|---|---|---|
| **Report to the trustees/ members of** | The Habbit Factory | | |
| **On accounts for the year ended** | 31 March 2023 | **Charity no (if any)** | 1162418 |
| **Set out on pages** | As per the attached accounts | | |

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31st March 2023.

**Responsibilities and basis of report**

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

| | | | |
|---|---|---|---|
| **Signed:** |  | **Date:** | 6th Dec 2023 |
| **Name:** | Kaan Fehmi | | |
| **Relevant professional qualification(s) or body (if any):** | ACMA, CGMA | | |
| **Address:** | Cryalls House, Auckland Drive, Sittingbourne, Kent. ME10 1HN | | |

# The Habbit Factory

## Unaudited Accounts

31 March 2023

Registered Charity Number:
1162418

**The Habbit Factory**
**Business Information**

**Trustees**
Kieran O'Callaghan
Robert Lithgow
Carron Beckwith
Guleraana Mir
Georgina Hart
Owen Smith
Tim Steel
Cleonah Springer-Clarke

**Accountants**
Fox Accountancy Limited
88 Corbets Tay Road
Upminster
Essex
RM14 2BA

**Bankers**
NatWest
Hornchurch Branch
120/122 High Street
Hornchurch Branch
Essex
RM12 4UL

**Registered Charity address**
c/o Queens Theatre
Billet Lane
Hornchurch
Essex
RM11 1QT

**The Habbit Factory**

## Approval statement

We approve the accounts which comprise of the Profit and Loss Account, the Balance Sheet and the related notes. We acknowledge our responsibility for the accounts, including the appropriateness of the applicable financial reporting framework as set out in note 1, and for providing Fox Accountancy Limited with all information and explanations necessary for their compilation.





Tim Steel (Treasurer)

Robert Lithgow (Chair)

Date: 6th Dec 2023

**The Habbit Factory**
**Profit and Loss Account**
**for the year ended 31 March 2023**

| | | 2023 | 2022 |
|---|---|---|---|
| | | £ | £ |
| **Income** | | | |
| Trusts and Foundation grants | (*) | 28,400 | 40,977 |
| Member programme donations | | 23,436 | 15,659 |
| Educational programme fees | | 18,372 | 8,310 |
| Panto & Summer Show | | 17,079 | - |
| Corporate & Individual giving | | 9,548 | 3,921 |
| Summer workshops | | 1,260 | 1,700 |
| Tickets, events and challenges | | 3,113 | 1,882 |
| Bank interest | | 35 | 1 |
| | | 101,243 | 72,450 |
| **Expenditure** | | | |
| Staffing and consultancy | | 65,958 | 47,259 |
| Panto & Summer Show | | 14,606 | - |
| Venue hire & expenses | | 9,941 | 5,653 |
| Equipment, insurance & overheads | | 5,123 | 3,705 |
| Other performance costs | | 2,066 | 1,447 |
| | | 97,694 | 58,064 |
| **Surplus** | | 3,549 | 14,386 |

(*): Grants received in the current financial year included a £7,000 donation from the Foyle Foundation.

**The Habbit Factory**
**Balance Sheet**
**as at 31 March 2023**
**Registered Charity Number: 1162418**

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| **Assets** | | |
| Accrued income | 2,730 | - |
| Bank/building society balances | 59,100 | 26,152 |
| | 61,830 | 26,152 |
| **Liabilities** | | |
| Accruals | 2,679 | - |
| Deferred income | 29,450 | - |
| | 32,129 | - |
| | 29,701 | 26,152 |
| **Net business assets represented by** | | |
| Capital account: | | |
| Balance at start of period | 26,152 | 11,766 |
| Net surplus | 3,549 | 14,386 |
| | 29,701 | 26,152 |
| **Surplus funds** | | |
| Restricted expenditure | - | 12,500 |
| Unrestricted expenditure | 29,701 | 13,652 |
| | 29,701 | 26,152 |

**The Habbit Factory**
**Notes to the Accounts**
**for the year ended 31 March 2023**

## 1 Accounting basis

The accounts have been compiled on an accruals basis that enables profits to be calculated in accordance with the provisions of FRS 102 and that provides sufficient and relevant information to enable the completion of a tax return.

CHARITY COMMISSION FOR ENGLAND AND WALES

# Independent examiner's report on the accounts

## Section A Independent Examiner's Report

| | | | |
|---|---|---|---|
| **Report to the trustees/ members of** | The Habbit Factory | | |
| **On accounts for the year ended** | 31 March 2023 | **Charity no (if any)** | 1162418 |
| **Set out on pages** | As per the attached accounts | | |

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31st March 2023.

**Responsibilities and basis of report**

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

| | | | |
|---|---|---|---|
| **Signed:** |  | **Date:** | 6th Dec 2023 |
| **Name:** | Kaan Fehmi | | |
| **Relevant professional qualification(s) or body (if any):** | ACMA, CGMA | | |
| **Address:** | Cryalls House, Auckland Drive, Sittingbourne, Kent. ME10 1HN | | |

# The Habbit Factory

## Unaudited Accounts

31 March 2023

Registered Charity Number:
1162418

**The Habbit Factory**
**Business Information**

**Trustees**
Kieran O'Callaghan
Robert Lithgow
Carron Beckwith
Guleraana Mir
Georgina Hart
Owen Smith
Tim Steel
Cleonah Springer-Clarke

**Accountants**
Fox Accountancy Limited
88 Corbets Tay Road
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Essex
RM14 2BA

**Bankers**
NatWest
Hornchurch Branch
120/122 High Street
Hornchurch Branch
Essex
RM12 4UL

**Registered Charity address**
c/o Queens Theatre
Billet Lane
Hornchurch
Essex
RM11 1QT

**The Habbit Factory**

## Approval statement

We approve the accounts which comprise of the Profit and Loss Account, the Balance Sheet and the related notes. We acknowledge our responsibility for the accounts, including the appropriateness of the applicable financial reporting framework as set out in note 1, and for providing Fox Accountancy Limited with all information and explanations necessary for their compilation.





Tim Steel (Treasurer)

Robert Lithgow (Chair)

Date: 6th Dec 2023

**The Habbit Factory**
**Profit and Loss Account**
**for the year ended 31 March 2023**

| | | 2023 | 2022 |
|---|---|---|---|
| | | £ | £ |
| **Income** | | | |
| Trusts and Foundation grants | (*) | 28,400 | 40,977 |
| Member programme donations | | 23,436 | 15,659 |
| Educational programme fees | | 18,372 | 8,310 |
| Panto & Summer Show | | 17,079 | - |
| Corporate & Individual giving | | 9,548 | 3,921 |
| Summer workshops | | 1,260 | 1,700 |
| Tickets, events and challenges | | 3,113 | 1,882 |
| Bank interest | | 35 | 1 |
| | | 101,243 | 72,450 |
| **Expenditure** | | | |
| Staffing and consultancy | | 65,958 | 47,259 |
| Panto & Summer Show | | 14,606 | - |
| Venue hire & expenses | | 9,941 | 5,653 |
| Equipment, insurance & overheads | | 5,123 | 3,705 |
| Other performance costs | | 2,066 | 1,447 |
| | | 97,694 | 58,064 |
| **Surplus** | | 3,549 | 14,386 |

(*): Grants received in the current financial year included a £7,000 donation from the Foyle Foundation.

**The Habbit Factory**
**Balance Sheet**
**as at 31 March 2023**
**Registered Charity Number: 1162418**

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| **Assets** | | |
| Accrued income | 2,730 | - |
| Bank/building society balances | 59,100 | 26,152 |
| | 61,830 | 26,152 |
| **Liabilities** | | |
| Accruals | 2,679 | - |
| Deferred income | 29,450 | - |
| | 32,129 | - |
| | 29,701 | 26,152 |
| **Net business assets represented by** | | |
| Capital account: | | |
| Balance at start of period | 26,152 | 11,766 |
| Net surplus | 3,549 | 14,386 |
| | 29,701 | 26,152 |
| **Surplus funds** | | |
| Restricted expenditure | - | 12,500 |
| Unrestricted expenditure | 29,701 | 13,652 |
| | 29,701 | 26,152 |

**The Habbit Factory**
**Notes to the Accounts**
**for the year ended 31 March 2023**

## 1 Accounting basis

The accounts have been compiled on an accruals basis that enables profits to be calculated in accordance with the provisions of FRS 102 and that provides sufficient and relevant information to enable the completion of a tax return.

**THE HABBIT FACTORY**

England & Wales - Charity number 1162418

# Accounts



# 2021-2022 ANNUAL REPORT & FINANCIAL STATUS

WWW.THEHABBITFACTORY.ORG

CHARITY NUMBER - 1162418

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# Chairman's Summary

Just before I sat down to type this, I re-read last year's Chair report from my predecessor, Tony Dance, to compare the outlook of The Habbit Factory then versus the present day. As you may imagine, times were tough having been hit by the pandemic, just as they were for the whole charity sector. We encountered financial and organisational difficulties and had to be creative to keep connected with everyone involved in our organisation. Despite doing our best at the time, we were left with the challenge of rebuilding our charity.

I'm pleased to say this year we find ourselves in a very different place. What a difference a year makes…

As the new board embedded into The Habbit Factory in April 2021, we were keen to ensure we didn't get in the way of Lee. His passion and drive towards improving the charity means that our role is largely one of support and empowerment. Lee, working in tandem with Adam Gallacher (our organisation development consultant), took us huge leaps forward in fundraising, financial planning and governance - to name just three areas amongst many. As a result, we find our charity back in a sustainable position to do what we do best; facilitate creative expression for all. I am excited to see the culmination of this in only a month's time as we showcase our first live performance in three years.

Having recovered from the pandemic, we're now in a position to expand our reach and improve our offer. We've done so this year by welcoming our newly founded infant group and Hannah Jolley, our new SEN Inclusion Officer. Rest assured, as we continue to grow, our focus will always be on our existing members. This year we also had the pleasure of welcoming Kelly, who is covering Hannah Salmon's maternity leave, and babies Beau and Gus, the new additions to the families of Lee and Hannah respectively.

Thank you to our incredible team, volunteers, members, board and everyone reading this Annual Report. You are all a hugely valuable part of our community and contribute to what makes this charity so special. I look forward to meeting many of you at our upcoming performance.





## LEGAL STRUCTURE

Board of Trustees: Robert Lithgow (Chair)
Tim Steel (Treasurer)
Carron Beckwith (Secretary)
Cleonah Springer-Clarke
Georgina Hart
Guleraana Mir
Kieran O'Callaghan
Owen Smith

Executive Officer: Lee Giles (Artistic Director and CEO)

Registered Office: 3a Grange Road
Romford
Essex
RM3 7DU

Registered Charity: 1162418

Bankers: 120 - 122 High St,
Hornchurch
Essex
RM12 4UL

Auditors: Fox Accountancy
144 Hall Ln,
Upminster
RM14 1AT





# The Organisation

The Habbit Factory is an inclusive arts organisation in The London Borough of Havering. Welcoming all, and working with some of the most excluded and disadvantaged children, young people and adults in the area but not exclusively. Through a targeted network of partners, our work helps people who do not see themselves as artists or have access to any creative engagement or provision.

**Legal Structure & Objects**
The Habbit Factory is a registered charity. Members of the Board act as Trustees and Directors of the charity. The overall objects and powers of the Trust are set out in our written constitution. The object for which the company is established is the advancement of education in the fields of the arts, principally to advance the education of children and young people in all aspects of the performing arts through the provision of workshops and opportunities to participate in artistic performances.

**Governance**
The Board of Directors has full legal responsibility for the corporate governance of the The Habbit Factory. Directors/Trustees are required to act in accordance with the company's constitution. Directors are appointed on the basis of specific skills and knowledge to enable them to make a contribution to the management of the company. In order to understand their role and current issues facing the organisation, each new Director is provided with specific tailored information, including; copies of Governing Documents, Board Minutes, Annual Accounts. Opportunities are provided for new Directors to engage with the Chairman and Executive Director, as well as meeting with staff working within their own area of specialism. The Board meet quarterly and review cross-organisation performance and development. Finance is the responsibility of the Finance Committee, which in the year to 31 March 2020, consisted of the Chair, Treasurer, and Executive Director. It oversees the development of business plans and recommends the Annual Budget to the Board. It reviews progress through the management account and re-forecasting process, tightly monitors overheads and exerts rigorous control over all outlays. Being responsible for monitoring income delivery is an essential part of the discussions of the Finance Committee.

**Management**
The operational running of the theatre company is delegated to the Executive Director. managing operations of the company, assessing progress against artistic, education and business plans. Communication within the company, and to the wider Habbit Factory community, is facilitated through face-to-face briefings (including staff and volunteer meetings), complemented by communications via email. It is important to document that the Habbit Factory's boasts a strong voluntary team who are vital to our work.

# The Organisation

**Risk Assessment**
Systems of internal control within the Trust are designed to provide reasonable reassurance against material mis-statement or loss. These include:

- Strategic and operational plans and an annual budget
- Consideration of financial and non-financial results on a regular basis
- Identification and management of risks

The Board has overall responsibility for ensuring that risk is managed in a constructive and considered manner and judge that the systems currently established mitigate the major risks identified and are appropriate for the present size of the charity. The most significant risks affecting the Charity are liquidity and cash flow risk. The Finance Committee continues to monitor this aspect of the company's operations on behalf of the directors through review of management accounts and re-forecasting, particularly in relation to income.

**Reserves Policy**
The Charity continues its commitment to build meaningful reserves. After diving into our reserves, due to the pandemic, we are now looking at ways to rebuild so that the Charity can meet unexpected shortfalls or cash flow difficulties. In the longer-term the Directors would wish to establish reserves of six months cover.

**Financial report**
Page 10 details our draft accounts and report from the Treasurer. The final accounts are currently being prepared and will be subject to external audit.







# Chief Executive Report

Founded in 2004, The Habbit Factory's vision is for **creative expression for all** no matter of background, ability or affluence.

Working within the London Borough of Havering, our approach is built on the principles of inclusivity, which welcomes **everyone**. As the only organisation that supports disability arts in the borough and through a targeted network of partners; we are able to connect with individuals who often get overlooked within the community.

We do this because we believe art has the power to effect change. Evidence continues to suggest that the creative arts is one of the most powerful tools to bring people together, breaking down social and cultural barriers, whilst helping the most vulnerable to lead a fulfilling and dignified life.

Through programmes and activities facilitating education, theatre, participation, and professional training, The Habbit Factory breaks down barriers to inclusion and transforms wellbeing.

The Habbit Factory works with children and young people from ages 3 and above and adults of all ages. Our inclusive ethos means we welcome people from diverse backgrounds, and our community is made up of people from across all of society, including those experiencing social exclusion in mainstream environments for whom we provide additional support. These potential barriers to participation include: socio economic disadvantages, learning disabilities physical disabilities; illness and long-term medical conditions; sensory impairments; abuse and neglect; behavioural difficulties; mental health issues; being in the care system; and having caring responsibilities.





# Chief Executive report (continued)

**A year - What a difference**
As a result of the impact of the COVID-19 pandemic, from March 2020 all of our services were closed until April 2021. Whilst the effects of the pandemic have been devastating to all it gave us time to re-evaluate the organisations core programmes, finances, board and beneficiaries. Since then The Habbit Factory has embraced a development strategy, supported initially by an Arts Council England Grant (ACE) which we received also in April 2021.

**New Board**
With our founding board nearing their 8th year, 7/8 of the board members decided to step down in March 2021 leaving a fantastic new opportunity to recruit new trustees to support the developments. As well as covering individual areas such as fundraising, finance, legal etc, we were keen on representing our beneficiaries through our board. A year on into their tenure we now have specific roles delegated to board members leaning on their professional and personal experiences to enhance the organisations work and keep up with the governance of an ever growing charity.

**Organisational development**
This word will forever be engrained in my mind. In my opinion no organisation should ever stop thinking about it! Through the grant we were able to bring in the knowledge and experience of development consultant Adam Gallacher. Since May 2022 him and I have looked at every area of the organisation, such as:

- Financial planning
- Strategic planning
- Core team
- Volunteering
- Programmes
- Fundraising - Including grant applications
- Income generation
- Risk register
- The organisations goals, mission and vision
- Theory of change

**Core team**
This year has proved tough for the core team. With Hannah (choreographer) on maternity from October 2021 we were seeking cover. We welcomed a new creative, Kelly who since has become a vital part of the core team.
Through my work with Adam it became apparent that we needed more staff to support our current Membership cohort. In January we recruited another Hannah (H) as our SEN Inclusion Officer to support our volunteer programme, and the administration behind our membership programme.

Adam has also become a part of the core team. After the grant from ACE had finished, the board and I decided to lean on Adam's services until March 2022 to continue the work we have taken on.

# Chief Executive report (continued)

**Strategies employed to achieve the charity's aims and objectives**
In pursuit of our charitable aims we have continued to reach our beneficiaries through focusing our work in the key strategic areas of Performances, Education & Outreach, Membership, volunteering and fundraising. Key activities and achievements are detailed below.

**Performances**
The Habbit Factory offers, through its Membership programme, opportunities for children, young people and adult members to co-create theatre alongside our professional artistic staff, thus developing essential transferable skills for the future. During 2020-2021, our performance programme became online performances only. However, from September 2021 our newly found Infant group, along with our Junior and Senior group began the research & development of our next large scale production - The Last Resort. To be performed at the Queens Theatre in July 2022. The Last Resort tackling themes on climate change.

Our adults group are rehearsing 'Hallows Eve'. A production which they had prepared before the pandemic. This will be shown at the Myplace Centre in October.

Pantomime! Our annual Pantomime is back this year. We looked at the project from previous years and wanted to enhance it. This year we will be offering performance opportunities to our children's groups to perform alongside professional staff and volunteers. Thus creating a larger, inclusive cast. Every performance will be made to be a relaxed performance to ensure everyone from the community can access the performance regardless of their needs. The Pantomime will be 'Jack and the Beanstalk' and will be performed in December 2022.

We will continue to use performances to showcase our work, tackle inequalities and highlight our truly inclusive approach.

**Membership Programme**
We re-opened our workshops from the pandemic in April 2021. Our artistic practise has always been to co-create with our young people but following a programme review we really wanted to hand the productions development to our Membership programme. Whether it be Infants, Juniors, Seniors or Adults Members, they are in control. This has lead to a positive review from Members and families alike with one child stating "I really feel like this is my show".

Within strategy development the core team and volunteers have been embedded through structures supporting the active contribution of Members in the creative decision making; a long term goal will see the introduction of a youth forum where Members thoughts and feeling will influence perspective at board meetings, regular strategy exploration sessions between Executives and Members representatives.

Key partnerships were developed this year with the Queens Theatre, the Myplace Centre, Rainham Royals Centre to continue workshops and performances with a greater emphasis on our young people.

# Chief Executive report (continued)

Between April 2021 and March 2022 our Membership programme worked with a total 217 beneficiaries. Of these, 87 identified as having an additional support need or were at risk within their community.

**Education and Outreach Programme**

The Habbit Factory's Education and Outreach programme took on a huge overhaul during the pandemic including research into why we do it?

**History**

In 2011, as our work with young people became increasingly recognised and championed, we were approached by several schools to support pupils exhibiting challenging behaviour and struggling to control and regulate their emotions. Our approach was different – a commitment to inclusivity meant bringing everyone together, bridging the divides and challenging stigma to understand and value the person. Promoting teamwork is at the heart of our work.

This led to the development of our Educational Programme – a partnership with 3 schools - a co-created drama model to support pupils who are struggling to find their place in the world, giving them agency to effect change in their life. The Habbit Factory has now expanded into different areas of the borough to deliver targeted a provision in some of the UK's most deprived schools. Many of the participants in this programme go on to our Membership programme where we offer a more longer-term provision outside of their school.

To date, we now run 7 regular Educational workshops in schools on a weekly basis and have began to work with other schools, Broadford, Elm Park Primary and newly found charity partners FIG. Teachers and charity leaders praise our work, one stating that we managed to 'Bring alive' one of her students who was struggling to access the curriculum without our practical approach.

Between April 2021 and March 2022 our Education and Outreach programme worked with roughly 670 children aged between year 2 - year 6.

**Volunteer Programme**

In 2021/22, 27 volunteers (Our Blue Tees) gave an estimated total of approximately 271 hours to The Habbit Factory. (This excludes hours given voluntarily by members of staff, families, trustees and membership.) When multiplied by the London Living Wage (£11.05/hr), an estimated minimum monetary value of £2,994 can be attributed to this service. In accordance with FRS102 and the Charities SORP (FRS 102), the economic contribution of volunteers is not recognised in the accounts. Volunteers support us across many areas of our work and are at the heart of the Habbit Factory community. The financial contribution of our Trustees was not calculated. The contribution of our volunteers is immeasurable beyond the hours they give, their energy, enthusiasm, dedication and goodwill are vital to The Habbit Factory. Our volunteers are a precious resource and enable us to deliver our programmes and activities for young people. We are truly indebted to them.

# Chief Executive report (continued)

**Fundraising**
The Habbit Factory generates revenue through earned income from its charitable activities (performance receipts, membership subscriptions, education tuition and support fees).

Whilst working with Adam we recognised to sustain the organisation a fundraising overhaul was needed. Never before had we received funding grants and to support the growth and development we would need to change this instantly. We managed to gain the funds from ACE to go through developments but these funds would all be spent on the development project with no surplus. We then looked at the theory of change which supported us with writing our first grant to the Backstage Trust who supported us with an unrestricted £10,000.

Further applications to Charles S French and National Lottery secured funds to allow us to bring in another core team member who supports our Volunteering Programme and Membership Programme.

We have launched a Factory Friends scheme to search for individuals to support with donations regularly between £5-£15 monthly. This didn't land as well as we had hoped with 2 individuals supporting monthly.

Overall our fundraised income has risen from the previous year from £4203 - around 40k (figure tbc. An increase of 1005%.

Efforts to continue fundraising will only support The Habbit Factory's future growth. We would like to thank all of our donors throughout the year.

**Future plans**
With the new boards feet firmly under the table and the organisations cash flow under control it is now time to start thinking about the future. By April 2023 we will produce a 3 year strategic plan including aims and objectives for each of our programmes. Whilst reaching further into the community is, and will always be vital. We want to ensure the connections we already have are made deeper therefore leaving a larger legacy on each individual that comes into contact with the organisation.

I cannot talk too deeply around aims and objectives but have bullet pointed some below:

- Increase the core teams capacity to support
- Increase volunteer experience and training
- Become a leading organisation within the inclusive arts world
- Enhance performance quality to bring in an outside audience
- To be representative of the local community

I'll finish where I started...a year - what a difference!



# Financials

**Treasurer's report**

Following my update at the AGM in the summer, the accounts for the year ended 31st March 2022 have been finalised and audited.

Over the past financial year our focus has been both recovering the finances from losses in the past two years, as well as supporting the charity's growth referred to by the CEO above. I have included a summary of the previous 2 years' accounts, which due to lockdowns had combined losses over £20,000. I am therefore extremely pleased to report that the charity not only covered all costs in the past financial year, but also made a surplus over £14,000. Whilst some of this surplus will be reinvested in 2022/3 for the benefit of our members, it is appropriate that we also rebuild the capital reserves of the The Habbit Factory to ensure that we have resilience which, along with the CEO and Board, we have progressed as part of our 2022/3 budgeting.

The accounts show a substantial increase in income. Most of this increase came from successful Grant applications as well as some individual donations. As reported by the CEO, the Board approved investment in external consulting support, Adam Gallacher. I am normally a little sceptical of consultants but I have no hesitation in reporting this Adam's support has been extremely good value for money for our charity and his work with Lee has been a driving force behind most of the Grant awards, of course along with the many hours I know Lee put in himself.

The increase in staff costs is driven by formalising the current roles and the staff additions reported by CEO. Other expenses have not quite returned to 2020 levels but reflect that the charity's activities were rebuilt during 2021.

Overall, the approach for this year has been to rebuild and strengthen the financial position of the charity, whilst also investing in people to support growth of the charity for our members. Looking forward, my focus with the CEO and Board will be to continue this approach, whilst ensuring that our cost base is flexible enough to cope with any unexpected events.

Finally, I must add my thanks to Angela Boodhun, our Finance officer, who has done the hard work reconciling all of the banking and spreadsheet work – I am extremely grateful!

Tim Steel ACMA CGMA
Treasurer

CHARITY COMMISSION FOR ENGLAND AND WALES

# Independent examiner's report on the accounts

## Section A Independent Examiner's Report

| | | | |
|---|---|---|---|
| **Report to the trustees/ members of** | The Habbit Factory | | |
| **On accounts for the year ended** | 31 March 2022 | **Charity no (if any)** | 1162418 |
| **Set out on pages** | As per the attached accounts | | |

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31st March 2021.

**Responsibilities and basis of report**

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

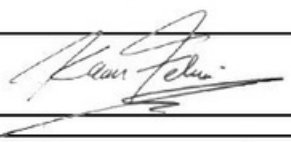
I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

| | | | |
|---|---|---|---|
| **Signed:** |  | **Date:** | 23rd December 2022 |
| **Name:** | Kaan Fehmi | | |
| **Relevant professional qualification(s):** | ACMA, CGMA | | |
| **Address:** | Cryalls House, Auckland Drive, Sittingbourne, Kent ME10 1HN | | |

# The Habbit Factory

## Unaudited Accounts

## 31 March 2022

Registered Charity Number:
1162418

**The Habbit Factory**
**Business Information**

**Trustees**
Kieran O'Callaghan
Robert Lithgow (appointed 1 April 2021)
Carron Beckwith (appointed 1 April 2021)
Guleraana Mir (appointed 1 April 2021)
Georgina Hart (appointed 1 April 2021)
Owen Smith (appointed 1 April 2021)
Tim Steel (appointed 1 April 2021)
Tony Dance (resigned 1 May 2021)
Teresa Orpin (resigned 1 May 2021)
Suzanne Giles (resigned 1 May 2021)
Barry Malcomber (non-executive trustee) (resigned 1 May 2021)
Sean Wade (resigned 1 May 2021)
Cleonah Springer-Clarke (appointed 27 May 2021)

**Accountants**
Fox Accountancy Limited
144 Hall Lane
Upminster
Essex
RM14 4AT

**Bankers**
NatWest
Hornchurch Branch
120/122 High Street
Hornchurch Branch
Essex
RM12 4UL

**Registered Charity address**
3a Grange Road
Romford
Essex
RM3 7DU

**The Habbit Factory**

## Approval statement

We approve the accounts which comprise of the Profit and Loss Account, the Balance Sheet and the related notes. We acknowledge our responsibility for the accounts, including the appropriateness of the applicable financial reporting framework as set out in note 1, and for providing Fox Accountancy Limited with all information and explanations necessary for their compilation.

Tim Steel (Treasurer)

Robert Lithgow (Chair)

Date: 20th Nov 2022

**The Habbit Factory**
**Profit and Loss Account**
**for the year ended 31 March 2022**

| | 2022<br>£ | 2021 *<br>£ |
|---|---|---|
| **Income** | | |
| Trusts and Foundation grants | 40,977 | - |
| Member programme donations | 15,659 | 9,567 |
| Educational programme fees | 8,310 | - |
| Corporate & Individual giving | 3,921 | - |
| Summer workshops | 1,700 | - |
| Tickets, events and challenges | 1,882 | - |
| Individual giving | - | - |
| Bank interest | 1 | 4 |
| | 72,450 | 9,571 |
| **Expenditure** | | |
| Staffing and consultancy | 47,259 | 14,600 |
| Venue hire & expenses | 5,653 | 155 |
| Equipment, insurance & overheads | 3,705 | 1,791 |
| Performance costs | 1,447 | - |
| | 58,064 | 16,546 |
| **Surplus** | 14,386 | (6,975) |

*: The headings have been updated in 2022, see note 2 for mapping of 2021.

**The Habbit Factory**
**Balance Sheet**
**as at 31 March 2022**
**Registered Charity Number: 1162418**

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| **Assets** | | |
| Trade debtors | - | - |
| Bank/building society balances | 26,152 | 11,746 |
| Cash in hand (Petty cash) | - | 20 |
| | 26,152 | 11,766 |
| **Liabilities** | | |
| Trade creditors | - | - |
| | - | - |
| | 26,152 | 11,766 |
| **Net business assets represented by** | | |
| Capital account: | | |
| Balance at start of period | 11,766 | 18,741 |
| Net surplus | 14,386 | (6,975) |
| | 26,152 | 11,766 |
| **Surplus funds** | | |
| Restricted expenditure | 12,500 | 1,762 |
| Unrestricted expenditure | 13,652 | 10,004 |
| | 26,152 | 11,766 |

**The Habbit Factory**
**Notes to the Accounts**
**for the year ended 31 March 2022**

## 1 Accounting basis

The accounts have been compiled on an accruals basis that enables profits to be calculated in accordance with the provisions of FRS 102 and that provides sufficient and relevant information to enable the completion of a tax return.

## 2 Accounting basis

The headings within income and expenses have been updated in 2022. The mapping for the 2021 is as follows:

| | | 2021<br>£ |
|---|---|---|
| **Updated heading** | **2021 heading** | |
| | Voluntary subscriptions | 1,009 |
| | Donations | 8,558 |
| Member programme donations | | 9,567 |
| | Management and development | 14,600 |
| Staffing and consultancy | | 14,600 |
| | Hall rental | 155 |
| Venue hire & expenses | | |
| | Equipment expenses | 93 |
| | Printing, postage and stationery | 24 |
| | Telephone | 743 |
| | Legalities | 183 |
| | Subscriptions | 57 |
| | Storage | 691 |
| Equipment, insurance & overheads | | 1,791 |

**The Habbit Factory**
**Summary Profit and Loss Account**
**for the year ended 31 March 2022**

**This schedule does not form part of the statutory accounts.**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Income** | | | |
| Trusts and Foundation grants | £ 40,977 | £ - | £ - |
| Member programme donations | £ 15,659 | £ 9,567 | £ 24,295 |
| Educational programme fees | £ 8,310 | £ - | £ 6,876 |
| Corporate & Individual giving | £ 3,921 | £ - | £ - |
| Summer workshops | £ 1,700 | £ - | £ 1,100 |
| Tickets, events and challenges | £ 1,882 | £ - | £ 1,147 |
| Individual giving | £ - | £ - | £ - |
| Bank interest | £ 1 | £ 4 | £ 34 |
| **Total income** | **£ 72,450** | **£ 9,571** | **£ 33,452** |
| **Expenditure** | | | |
| Staffing and consultancy | £ 47,259 | £ 14,600 | £ 27,748 |
| Venue hire & expenses | £ 5,653 | £ 155 | £ 11,034 |
| Equipment, insurance & overheads | £ 3,705 | £ 1,791 | £ 6,455 |
| Performance costs | £ 1,447 | £ - | £ 2,476 |
| **Total expenditure** | **£ 58,064** | **£ 16,546** | **£ 47,713** |
| **Profit / (loss) on activities** | **£ 14,386** | **£ (6,975)** | **£ (14,261)** |

**The Habbit Factory**
**Summary Balance Sheet**
**for the year ended 31 March 2022**

**This schedule does not form part of the statutory accounts.**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Assets** | | | |
| Trade debtors | - | - | £ 2,400 |
| Bank/building society balances | £ 26,152 | £ 11,746 | £ 19,588 |
| Cash in hand (Petty Cash) | £ - | £ 20 | £ 20 |
| | **£ 26,152** | **£ 11,766** | **£ 22,008** |
| **Liabilities** | | | |
| Trade Creditors | £ - | £ - | £ 3,268 |
| | **£ -** | **£ -** | **£ 3,268** |
| **Net assets** | **£ 26,152** | **£ 11,766** | **£ 18,740** |

| **Net charity assets represented by:** | 2022 | 2021 | 2020 |
|---|---|---|---|
| Capital account: | | | |
| Balance at start of period | £ 11,766 | £ 18,741 | £ 33,002 |
| Net surplus (deficit) | £ 14,386 | £ (6,975) | £ (14,261) |
| | **£ 26,152** | **£ 11,766** | **£ 18,741** |
| **Surplus funds** | | | |
| Restricted expenditure | £ 12,500 | £ 1,762 | £ 18,741 |
| Unrestricted expenditure | £ 13,652 | £ 10,004 | £ - |
| | **£ 26,152** | **£ 11,766** | **£ 18,741** |