

ARTS FACTORY LTD

England & Wales · Charity number 1178430

Details

Other names	ARTS FACTORY
Status	Registered
Legal form	Charitable company
Company number	02491685
Registered	2018-05-18
Register	View on the Charity Commission register

Contact

Address	Trerhondda The Strand Ferndale CF43 4LY
Phone	01443757954
Email	hello@artsfactory.co.uk
Website	www.artsfactory.co.uk

Activities

Objects: TO PROVIDE OR ASSIST IN THE PROVISION OF FACILITIES OF SOCIAL WELFARE FOR RECREATION OR OTHER LEISURE TIME OCCUPATION OF INDIVIDUALS WHO HAVE NEED OF SUCH FACILITIES BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL CIRCUMSTANCES WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE

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Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, Disability, The Prevention Or Relief Of Poverty
- **Who:** Elderly/old People, People With Disabilities

Geography

- Rhondda Cynon Taff

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£371,503	£437,494	-	-
2024-03-31	£1,010,136	£964,027	£459,745	10
2022-12-31	£491,150	£466,892	-	-
2021-12-31	£486,121	£409,870	-	-
2020-12-31	£457,836	£340,847	-	-

Trustees

Name	Role	Appointed
Steve Cranston	Chair	2024-04-22
ALLISON EVANS		2010-11-25
BARRY TRIGGS		2010-11-25
Leon Frampton Moss		2018-07-01
MICHAEL HADYN BRYAN		2017-06-20
Michaela Evans		2024-05-03

ARTS FACTORY LTD

England & Wales - Charity number 1178430

Accounts



Report and Financial Statements

for the year ended 31 March 2025

for

Arts Factory Ltd

Company registration number 02491685

Charity number 1178430

Arts Factory Ltd

**Contents of the Financial Statements
for the year ended 31 March 2025**

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Arts Factory Ltd
Charity Information
for the year ended 31 March 2025

Directors and Trustees	Mr M Bryan (Chair) Ms A Evans Mr B Triggs Mr L Moss Mr R Lines Mr S Cranston Ms M Evans	resigned 12 February 2025 appointed 22 April 2024 appointed 22 April 2024
Charity Number	1178430	
Company Number	2491685	
Registered Office	Trerhonda The Strand Ferndale Rhondda Cynon Taff CF43 4LY	
Accountants and Independent Examiners	Arian Accountants Limited 19 Sundew Close Cardiff CF5 2SE	
Bankers	Barclays Bank plc	

Arts Factory Ltd

Report of the Trustees for the year ended 31 March 2025

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 March 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

Objectives

The objects of the charity are to provide or assist in the provision of social welfare facilities for recreation or other leisure time occupation by individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship, or social circumstances with the object of improving their conditions of life.

Activities

The charity operates a Health and Wellbeing Centre at Trerhondda Chapel in the town centre of Ferndale in the upper Rhondda Fach. The centre runs various courses, clubs, and groups for beneficiaries as well as several social business activities that both generate income and allow us to offer opportunities to people to train and upskill themselves through volunteering.

It also runs a garden project in partnership with Sunrise Community Garden called the Rhondda Fach Community Garden which allows volunteers to upskill themselves and improve their mental health and wellbeing in the outdoors.

Maerdy Community Centre is also operated by Arts Factory as a community resource. It is a facility for both the community and local businesses and will help regenerate the top of the Rhondda Fach. There are volunteer opportunities, community activities, a café and rental space available for long and short-term tenants.

The charity relies on earned income, grants, a service level agreement, and donations to cover its operating costs.

The Trustees endeavour to encourage all members of the community to engage in our activities and programmes and this should enable them to change their lives.

Achievements

Achievements and highlights of the year for Arts Factory include:

- Two volunteer awards ceremonies were held, one at our summer BBQ and one at our Christmas Party, to recognise the good work they do for Arts Factory.
- We celebrated World Mental Health Day & International Women's Day within our Health & Wellbeing groups.
- We had a CCTV system fitted at Maerdy to enhance the safety of staff, volunteers and the building.
- Our annual volunteer BBQ was held at Maerdy and this year we also held a Halloween Volunteer Ball.
- Maerdy is now a registered 'Safe Space'.
- We held a Welsh celebration event in Ferndale to celebrate the Eisteddfod.
- Volunteers put up Christmas trees and lights along the main street in Maerdy. They held a community carol concert in Maerdy as well as a Christmas town centre event in Ferndale.
- We have worked with partner organisations with the aim of making Maerdy Community Centre 'green' to both help save costs and improve the environment.

Arts Factory Ltd

Report of the Trustees (continued)

- The Rhondda Fach Community Garden had a ‘clean up teambuilding day’ for staff and volunteers to clear additional land given to us by our landlord.
- Our CEO has been working with Cranfield Trust to develop a new business plan and BITC around building enterprise in the Valleys.
- We were instrumental in planning and delivering Operation Bang (Fireworks) in partnership with Ferndale Community School and YEPS.
- We held a staff planning session in January 2025 which set clear objectives for the coming year.
- We operated Warm Hubs during the year which were well attended, we also gave out warm packs to people who needed them.
- We delivered Christmas Hampers to local primary schools for families that were in need.

Financial review

Members of the management committee meet quarterly to review the financial position of the charity. As a result of this information they are confident in realistically reviewing and adjusting budgets. During the year funding continued to be received for the charity's main activities. The Lottery supported several of the charity's projects with funds totalling £37,714, WCVA (£13,717) and the Shared Prosperity Fund (£31,703) also continued their support. The charity also received a number of other grants and donations.

It is the policy of the charity that unrestricted liquid reserves held by the charity should be at least £30,000, representing approximately a quarter of ongoing annual overhead costs. At this level the trustees consider that they would be able to accommodate any fundamental funding changes. At the balance sheet date the charity's unrestricted general income fund reserves exceeded that amount, at £70,310. As always, future funding of the Arts Factory is an ongoing dialogue with all our funders.

Structure, governance and management

The charity is constituted as a company limited by guarantee and is also a registered charity. The directors serve also as the trustees of the charity. Reference and administrative details are shown in the company information page. The directors have the power to appoint additional trustees.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Arts Factory Ltd for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

Arts Factory Ltd

Report of the Trustees (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

- there is no relevant information of which the charity's Independent Examiner is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the Independent Examiner is aware of that information.

Approval by order of the board of trustees

M Bryan

Director

Independent Examiner's Report to the Trustees of Arts Factory Ltd ("the Company")

I report to the charity trustees on my examination of the accounts of Arts Factory Ltd for the year ended 31 March 2025.

Responsibilities and basis of report

As the charity's trustees of the Company (and also it's directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for Accounting and Reporting by Charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

Andrea L Davies FCA
Chartered Accountant

4 August 2025

Arian Accountants Limited
19 Sundew Close
Cardiff
CF5 2SE

Arts Factory Ltd

**Statement of Financial Activities (incorporating the income and expenditure account)
for the year ended 31 March 2025**

	<u>Note</u>	Restricted Funds	Unrestricted Funds	12 months to 31 March 2025 Total	15 months to 31 March 2024 Total
		£	£	£	£
Income					
Donations and legacies	3	-	9,714	9,714	11,364
<i>Income from charitable activities:</i>					
Arts Factory operations	4	197,187	162,702	359,889	996,765
Investment income		-	1,900	1,900	2,007
Total income		<u>197,187</u>	<u>174,316</u>	<u>371,503</u>	<u>1,010,136</u>
Expenditure					
<i>Expenditure on charitable activities:</i>					
Arts Factory operations	5	248,802	188,692	437,494	964,027
Total expenditure		<u>248,802</u>	<u>188,692</u>	<u>437,494</u>	<u>964,027</u>
Net (deficit)/income and net movement in funds for the year		(51,615)	(14,376)	(65,991)	46,109
Reconciliation of funds					
Total funds brought forward		94,616	365,129	459,745	413,636
Transfer between funds		124	(124)	-	-
Total funds carried forward		<u>43,125</u>	<u>350,629</u>	<u>393,754</u>	<u>459,745</u>

The Statement of Financial Activities includes all gains and losses in the period and therefore a statement of total recognised gains and losses has not been prepared.

All income and expenditure derive from continuing activities.

The notes on pages 8 to 12 form part of these financial statements

Arts Factory Ltd
Balance Sheet
As at 31 March 2025

	Note	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	8		280,319		280,466
Current assets					
Debtors	9		14,975		32,209
Cash at Bank and in hand			<u>145,623</u>		<u>201,909</u>
			160,598		234,118
Current Liabilities					
Creditors: Amounts falling due within one year	10		<u>(24,625)</u>		<u>(22,931)</u>
Net current (liabilities)/assets			135,973		211,187
Total assets less current liabilities			<u>416,292</u>		<u>491,653</u>
Creditors: Amounts falling due after more than one year	11		<u>(22,538)</u>		<u>(31,908)</u>
Net assets			<u>393,754</u>		<u>459,745</u>
		£	£	£	£
The funds of the charity:					
Unrestricted income funds					
Designated fund	12		280,319		280,466
General income fund			<u>70,310</u>		<u>84,663</u>
			350,629		365,129
Restricted income funds	13		43,125		94,616
Total charity funds			<u>393,754</u>		<u>459,745</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s.477 of the Companies Act 2006. Members have not required the company, under s.476 of the Companies Act 2006, to obtain an audit for the year ended 31 March 2025.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 & 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of the affairs of the company as at 31 March 2025 and of its surplus or deficit for the year then ended in accordance with the requirements of ss.394 & 395, and which otherwise comply with the requirements of the Act, relating to the financial statements, so far as applicable to the company.

These financial statements, which have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies were approved by the Trustees on 4 August 2025 and signed on its behalf.

M Bryan

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M Bryan

Director

The notes on pages 8 to 12 form part of these financial statements

Arts Factory Ltd

Notes to the financial statements for the year ended 31 March 2025

Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Arts Factory Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Income

(i) donations and similar income

Donations and similar income are recognised when received.

(ii) revenue grants

Revenue grants are generally recognised in the period in which they are received.

(iii) capital grants

Capital grants are recognised as the corresponding expense is incurred.

(iv) other income

All other income is recognised in the period to which it relates.

Expenditure and irrecoverable VAT

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

Tangible fixed assets

Fixed assets are generally stated in the balance sheet at cost less depreciation.

Depreciation is provided in order to write off the cost of fixed assets over their estimated useful lives in equal annual instalments, as follows :

Motor Vehicles	25% on cost
Computer equipment	25% on cost
Tools and equipment	25% on cost

Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the statement of financial activities when due.

Arts Factory Ltd

Notes to the financial statements (continued)
for the year ended 31 March 2025

1 Accounting policies cont'd

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

2 Legal status

The Arts Factory is a company limited by guarantee and has no share capital.

3 Donations and legacies

	Restricted £	Unrestricted £	2025 £	2024 £
Cash Donations	-	9,714	9,714	11,364
	<u>-</u>	<u>9,714</u>	<u>9,714</u>	<u>11,364</u>

4 Income from charitable activities

	Restricted £	Unrestricted £	2025 £	2024 £
<i>Sales income</i>				
Graphic design	-	100,209	100,209	229,670
Room rental	-	37,126	37,126	57,991
Book Factory	-	7,423	7,423	13,652
Café	-	2,078	2,078	-
Other sundry income	-	866	866	2835
	<u>-</u>	<u>147,702</u>	<u>147,702</u>	<u>304,148</u>
<i>Support from sponsors and local authorities:</i>				
Social Services Learning Disability SLA	64,389	-	64,389	62,411
Comic Relief cost of living grant	-	-	-	18,385
Welsh Government Grant	-	-	-	259,119
Rhondda Cynon Taff Council grants	5,600	-	5,600	56,607
WCVA grants	13,717	-	13,717	41,394
Lottery Fund	37,714	-	37,714	165,102
Shared Prosperity Fund	31,703	-	31,703	38,626
Other grants received	44,064	15,000	59,064	50,973
	<u>197,187</u>	<u>162,702</u>	<u>359,889</u>	<u>996,765</u>

5 Analysis of expenditure on charitable activities

	Restricted £	Unrestricted £	2025 £	2024 £
<i>On charitable activities:</i>				
Purchases and other direct costs	14,323	61,398	75,721	510,402
Employee costs	188,753	44,780	233,533	268,539
Premises costs	2,759	59,782	62,541	122,227
General office expenses	42,717	12,235	54,952	49,198
Interest paid	-	2,848	2,848	4,324
	<u>248,552</u>	<u>181,043</u>	<u>429,595</u>	<u>954,690</u>
<i>On governance costs:</i>				
Accountancy fees	-	2,925	2,925	1,950
Other professional costs	250	4,724	4,974	7,387
	<u>248,802</u>	<u>188,692</u>	<u>437,494</u>	<u>964,027</u>

Arts Factory Ltd

**Notes to the financial statements (continued)
for the year ended 31 March 2025**

6 Net income for the period

The net income for the period/(year) is stated after charging:

	2025	2024
	£	£
Depreciation of tangible fixed assets: owned by the charity	1,897	1,824
Accountancy fees	<u>2,925</u>	<u>1,950</u>

7 Staffing and trustee remuneration

	2025	2024
	£	£
<i>Staff costs</i>		
Wages and salaries	209,204	238,960
Social Security costs	12,151	13,991
Pension costs	<u>9,538</u>	<u>10,700</u>
	<u>230,893</u>	<u>263,651</u>

During the period the average number of employees was 12 (2024: 10). No employee received employee benefits in excess of £60,000 (2024: Nil).

No remuneration was paid to any trustees during the period nor any expenses reimbursed (2024: £Nil).

8 Tangible fixed assets

	Land & buildings	Tools & equipment	Motor vehicles	Computer equipment	Total
	£	£	£	£	£
COST					
As at 1 April 2024	399,703	2,567	7,350	109,089	518,709
Additions	-	1,750	-	-	1,750
Disposals	-	-	-	-	-
At 31 March 2025	<u>399,703</u>	<u>4,317</u>	<u>7,350</u>	<u>109,089</u>	<u>520,459</u>
DEPRECIATION					
As at 1 April 2024	121,153	2,083	7,350	107,657	238,243
Charge for period	-	1,079	-	818	1,897
On Disposals	-	-	-	-	-
At 31 March 2025	<u>121,153</u>	<u>3,162</u>	<u>7,350</u>	<u>108,475</u>	<u>240,140</u>
NET BOOK VALUE					
At 31 March 2025	<u><u>278,550</u></u>	<u><u>1,155</u></u>	<u><u>-</u></u>	<u><u>614</u></u>	<u><u>280,319</u></u>
At 31 March 2024	<u><u>278,550</u></u>	<u><u>484</u></u>	<u><u>-</u></u>	<u><u>1,432</u></u>	<u><u>280,466</u></u>

Arts Factory Ltd

**Notes to the financial statements (continued)
for the year ended 31 March 2025**

9 Debtors

	2025	2024
	£	£
Trade debtors	13,635	24,626
Other debtors and prepayments	1,340	7,583
	14,975	32,209

10 Creditors: amounts falling due within one year

	2025	2024
	£	£
Bank loans and overdrafts	8,000	6,500
Trade creditors	9,774	9,745
Taxes and social security	3,067	3,169
Other creditors	1,534	1,267
Accruals & deferred income	2,250	2,250
	24,625	22,931

11 Creditors: amounts falling due after more than one year

	2025	2024
	£	£
Bank loans	22,538	31,908
Other creditors	-	-
	22,538	31,908

12 Designated funds

	Balance at beginning of year £	New designations £	Utilised/ released £	Transfer t/f capital grant funds £	Balance at end of year £
Tangible Fixed Assets fund	280,466	1,750	(1,897)	-	280,319

The tangible fixed assets fund represents the net book value of the charity's unrestricted tangible fixed assets. The fund has been created to recognise the fact that the tangible fixed assets are required for the day to day operations of the charity and are not available for other purposes or for general reserves.

Arts Factory Ltd

**Notes to the financial statements (continued)
for the year ended 31 March 2025**

13 Restricted income funds

	Balance at beginning of period £	Income in period £	Expenditure in period £	Transfer t/f unrestricted funds £	Balance at end of period £
Social Services Learning Disability SLA	-	64,389	64,389	-	-
CFW Principality MCC retrofit fund	-	13,464	-	-	13,464
Friends of the Earth grant fund	-	7,600	3,240	-	4,360
Lottery Fund:Bringing Villages together	4,637	37,714	38,203	-	4,148
Lottery Fund: Cost of Living grant	49,187	-	49,231	44	-
Lottery Fund: Youth	20,000	-	3,242	-	16,758
Pen y Cymoedd Windfarm Grant	-	13,000	10,413	-	2,587
RCT: Dementia grant	-	2,000	1,998	(2)	-
RCT: Winter Hardship Grant	-	4,000	4,058	58	-
WCVA: Volunteering Wales Grant	3,997	13,717	17,714	-	-
Shared Prosperity Fund	14,149	31,703	45,878	26	-
Trivallis cost of living grant	415	-	413	(2)	-
Other small grants	2,231	9,600	10,023	-	1,808
Total funds	<u>94,616</u>	<u>197,187</u>	<u>248,802</u>	<u>124</u>	<u>43,125</u>

14 Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Unrestricted funds				
Designated funds	280,319	-	-	280,319
General income fund	-	92,848	(22,538)	70,310
Restricted income funds	-	43,125	-	43,125
Total funds	<u>280,319</u>	<u>135,973</u>	<u>(22,538)</u>	<u>393,754</u>

ARTS FACTORY LTD

England & Wales - Charity number 1178430

Accounts

Report and Financial Statements
for the 15 months ended 31 March 2024
for
Arts Factory Ltd

Company registration number 02491685

Charity number 1178430

Arts Factory Ltd

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for the 15 months ended 31 March 2024**

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Arts Factory Ltd
Charity Information
for the 15 months ended 31 March 2024

Directors and Trustees	Mr M Bryan (Chair) Ms A Evans Mr B Triggs Mr L Moss Mr R Lines Mr S Cranston Ms M Evans	appointed 22 April 2024 appointed 22 April 2024
Charity Number	1178430	
Company Number	2491685	
Registered Office	Trerhonda The Strand Ferndale Rhondda Cynon Taff CF43 4LY	
Accountants and Independent Examiners	Arian Accountants Limited 19 Sundew Close Cardiff CF5 2SE	
Bankers	Barclays Bank plc	

Arts Factory Ltd

Report of the Trustees for the 15 months ended 31 March 2024

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the 15 months ending 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

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The objects of the charity are to provide or assist in the provision of social welfare facilities for recreation or other leisure time occupation by individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship, or social circumstances with the object of improving their conditions of life.

Activities

The charity operates a Health and Wellbeing Centre at Trerhondda Chapel in the town centre of Ferndale in the upper Rhondda Fach. The centre runs various courses, clubs, and groups for beneficiaries as well as several social business activities that both generate income and allow us to offer opportunities to people to train and upskill themselves through volunteering.

It also runs a garden project in partnership with Sunrise Community Garden called the Rhondda Fach Community Garden which allows volunteers to upskill themselves and improve their mental health and wellbeing in the outdoors.

Maerdy Community Centre is also now operated by Arts Factory as a community resource. It is a facility for both the community and local businesses and will help regenerate the top of the Rhondda Fach. There will be volunteer opportunities, community activities, a café and rental space available for long and short-term tenants.

The charity relies on earned income, grants, a service level agreement, and donations to cover its operating costs.

The Trustees endeavour to encourage all members of the community to engage in our activities and programmes and this should enable them to change their lives.

Achievements

Achievements and highlights of the year for Arts Factory include:

- Two volunteer Awards Ceremonies were held to recognise the good work they do for Arts Factory.
- All of the staff team and some key tenants received Fire Safety training, so they are more confident in the use of our buildings.
- During the period we delivered food parcels which helped to feed over 2000 people as part of our partnership project with Fareshare Cymru to deliver Cupboard Essential packs.
- We celebrated World Mental Health Day within our Health & Wellbeing groups.
- Our annual volunteer BBQ was held at our new site in Maerdy.
- The Rhondda Fach Community Garden had a summer open day which was well attended.
- Key staff members were involved in branding workshops to change our brand as part of the celebration event planned for April 2024.
- We helped celebrate the opening of our first tenant at Maerdy Community Centre, Dantyllew CIC.
- We had a film made to promote the Rhondda Fach Community Garden project.

Arts Factory Ltd

Report of the Trustees (continued)

- Volunteers worked in the community of Maerdy putting up Christmas trees along the main thoroughfare.
- Several staff members and volunteers contributed to the Welsh Commissioners Report and were invited to the launch event at the Senedd in January 2024.
- Our Graphic Design service has continued to grow from strength to strength.
- The Rhondda Fach Community Garden has continued to expand and plans are in place to enhance the project further from April 2024 with a community grass cutting service and an expanded vegetable provision.
- Our Cost-of-Living Project has engaged with over 200 people to help them with crisis, food, debt, housing, mental health etc.
- Our project in partnership with Timecentres is underway at Maerdy using community bingo sessions to encourage a community connection.
- Our CEO is part of the Welsh Government Economy Meetings with the Minister to help influence and inform on Third Sector work.
- We held a staff planning session in January 2024 which set clear objectives for the coming year.
- We operated Warm Hubs during the period which were well attended, we also gave out warm packs to people who needed them.
- We delivered Christmas Hampers to local primary schools for families that were in need.
- We took a coach of staff, volunteers, and group members to the New Theatre in Cardiff to see the panto Aladdin.

Financial review

Members of the management committee meet quarterly to review the financial position of the charity. As a result of this information they are confident in realistically reviewing and adjusting budgets. During the year funding continued to be received for the charity's main activities. The Lottery supported several of the charity's projects with funds totalling £165,102, WCVA (£41,394) and RCT Council (£56,607) also continued their support and the charity received £259,119 from the Welsh Government towards the refurbishment of Trerhondda Chapel. The charity also received a number of other grants and donations.

It is the policy of the charity that unrestricted liquid reserves held by the charity should be at least £30,000, representing approximately a quarter of ongoing annual overhead costs. At this level the trustees consider that they would be able to accommodate any fundamental funding changes. At the balance sheet date the charity's unrestricted general income fund reserves exceeded that amount, at £84,663. As always, future funding of the Arts Factory is an ongoing dialogue with all our funders.

Structure, governance and management

The charity is constituted as a company limited by guarantee and is also a registered charity. The directors serve also as the trustees of the charity. Reference and administrative details are shown in the company information page. The directors have the power to appoint additional trustees.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Arts Factory Ltd for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Arts Factory Ltd

Report of the Trustees (continued)

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

- there is no relevant information of which the charity's Independent Examiner is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the Independent Examiner is aware of that information.

Approval by order of the board of trustees

M Bryan

Director

Independent Examiner's Report to the Trustees of Arts Factory Ltd ("the Company")

I report to the charity trustees on my examination of the accounts of Arts Factory Ltd for the 15 months ended 31 March 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also it's directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for Accounting and Reporting by Charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

Andrea L Davies ACA

15 July 2024

Chartered Accountant

Arian Accountants Limited

19 Sundew Close

Cardiff

CF5 2SE

Arts Factory Ltd

**Statement of Financial Activities (incorporating the income and expenditure account)
for the 15 months ended 31 March 2024**

	<u>Note</u>	Restricted Funds	Unrestricted Funds	31 March 2024 Total	31 December 2022 Total
		£	£	£	£
Income					
Donations and legacies	3	-	11,364	11,364	11,764
<i>Income from charitable activities:</i>					
Arts Factory operations	4	656,959	339,806	996,765	479,268
Investment income		-	2,007	2,007	118
Total income		<u>656,959</u>	<u>353,177</u>	<u>1,010,136</u>	<u>491,150</u>
Expenditure					
<i>Expenditure on charitable activities:</i>					
Arts Factory operations	5	638,528	325,499	964,027	466,892
Total expenditure		<u>638,528</u>	<u>325,499</u>	<u>964,027</u>	<u>466,892</u>
Net income and net movement in funds for the year		18,431	27,678	46,109	24,258
Reconciliation of funds					
Total funds brought forward		75,686	337,950	413,636	389,378
Transfer between funds		499	(499)	-	-
Total funds carried forward		<u>94,616</u>	<u>365,129</u>	<u>459,745</u>	<u>413,636</u>

The Statement of Financial Activities includes all gains and losses in the period and therefore a statement of total recognised gains and losses has not been prepared.

All income and expenditure derive from continuing activities.

The notes on pages 8 to 12 form part of these financial statements

Arts Factory Ltd
Balance Sheet
As at 31 March 2024

	Note	31 March 2024		31 December 2022	
		£	£	£	£
Fixed assets					
Tangible assets	8		280,466		253,740
Current assets					
Debtors	9		32,209		22,244
Cash at Bank and in hand			<u>201,909</u>		<u>230,201</u>
			234,118		252,445
Current Liabilities					
Creditors: Amounts falling due within one year	10		<u>(22,931)</u>		<u>(53,037)</u>
Net current (liabilities)/assets			211,187		199,408
Total assets less current liabilities			<u>491,653</u>		<u>453,148</u>
Creditors: Amounts falling due after more than one year	11		<u>(31,908)</u>		<u>(39,512)</u>
Net assets			<u><u>459,745</u></u>		<u><u>413,636</u></u>
		£	£	£	£
The funds of the charity:					
Unrestricted income funds					
Designated fund	12		280,466		253,740
General income fund			<u>84,663</u>		<u>84,210</u>
			365,129		337,950
Restricted income funds	13		94,616		75,686
Total charity funds			<u><u>459,745</u></u>		<u><u>413,636</u></u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s.477 of the Companies Act 2006. Members have not required the company, under s.476 of the Companies Act 2006, to obtain an audit for the 15 months ended 31 March 2024.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 & 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of the affairs of the company as at 31 March 2024 and of its surplus or deficit for the period then ended in accordance with the requirements of ss.394 & 395, and which otherwise comply with the requirements of the Act, relating to the financial statements, so far as applicable to the company.

These financial statements, which have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies were approved by the Trustees on 15 July 2024 and signed on its behalf.

M Bryan

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M Bryan

Director

The notes on pages 8 to 12 form part of these financial statements

Arts Factory Ltd

Notes to the financial statements for the 15 months ended 31 March 2024

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Arts Factory Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Income

(i) donations and similar income

Donations and similar income is recognised when received.

(ii) revenue grants

Revenue grants are generally recognised in the period in which they are received.

(iii) capital grants

Capital grants are recognised as the corresponding expense is incurred.

(iv) other income

All other income is recognised in the period to which it relates.

Expenditure and irrecoverable VAT

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

Tangible fixed assets

Fixed assets are generally stated in the balance sheet at cost less depreciation. The Maerdy Community Centre was donated to the charity and so has been shown at the fair market value at the date of donation.

Depreciation is provided in order to write off the cost of fixed assets over their estimated useful lives in equal annual instalments, as follows :

Motor Vehicles	25% on cost
Computer equipment	25% on cost
Tools and equipment	25% on cost

Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the statement of financial activities when due.

Arts Factory Ltd

Notes to the financial statements (continued)
for the 15 months ended 31 March 2024

1 Accounting policies cont'd

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

2 Legal status

The Arts Factory is a company limited by guarantee and has no share capital.

3 Donations and legacies

	Restricted £	Unrestricted £	2024 £	2022 £
Cash Donations	-	11,364	11,364	11,764
	<u>-</u>	<u>11,364</u>	<u>11,364</u>	<u>11,764</u>

4 Income from charitable activities

	Restricted £	Unrestricted £	2024 £	2022 £
<i>Sales income</i>				
Graphic design	-	229,670	229,670	200,536
Room rental	-	57,991	57,991	14,925
Book Factory	-	13,652	13,652	13,383
Other sundry income	-	2,835	2,835	1493
	<u>-</u>	<u>304,148</u>	<u>304,148</u>	<u>230,337</u>
<i>Support from sponsors and local authorities:</i>				
Social Services Learning Disability SLA	62,411	-	62,411	49,929
Comic Relief cost of living grant	-	18,385	18,385	-
Welsh Government Grant	259,119	-	259,119	-
Rhondda Cynon Taff Council grants	56,607	-	56,607	3,557
Natural Resources Wales	15,404	-	15,404	4,467
WCVA grants	41,394	-	41,394	40,584
Lottery Fund	165,102	-	165,102	-
SPF grant	38,626	-	38,626	-
Other grants received	18,296	17,273	35,569	150,394
	<u>656,959</u>	<u>339,806</u>	<u>996,765</u>	<u>479,268</u>

5 Analysis of expenditure on charitable activities

	Restricted £	Unrestricted £	2024 £	2022 £
<i>On charitable activities:</i>				
Purchases and other direct costs	372,597	137,805	510,402	195,213
Employee costs	164,239	104,300	268,539	202,024
Premises costs	71,593	50,634	122,227	31,857
General office expenses	30,099	19,099	49,198	27,204
Interest paid	-	4,324	4,324	2,362
	<u>638,528</u>	<u>316,162</u>	<u>954,690</u>	<u>458,660</u>
<i>On governance costs:</i>				
Accountancy fees	-	1,950	1,950	1,950
Other professional costs	-	7,387	7,387	6,282
	<u>638,528</u>	<u>325,499</u>	<u>964,027</u>	<u>466,892</u>

Arts Factory Ltd

**Notes to the financial statements (continued)
for the 15 months ended 31 March 2024**

6 Net income for the period

The net income for the period/(year) is stated after charging:

	2024	2022
	£	£
Depreciation of tangible fixed assets:		
owned by the charity	1,824	3,296
Accountancy fees	<u>1,950</u>	<u>1,950</u>

7 Staffing and trustee remuneration

	2024	2022
	£	£
<i>Staff costs</i>		
Wages and salaries	238,960	183,390
Social Security costs	13,991	9,336
Pension costs	<u>10,700</u>	<u>7,967</u>
	<u>263,651</u>	<u>200,693</u>

During the period the average number of employees was 10 (2022: 13). No employee received employee benefits in excess of £60,000 (2022: Nil).

No remuneration was paid to any trustees during the period nor any expenses reimbursed (2022: £Nil).

8 Tangible fixed assets

	Land & buildings	Tools & equipment	Motor vehicles	Computer equipment	Total
	£	£	£	£	£
COST					
As at 1 January 2023	371,153	2,567	7,350	109,089	490,159
Additions	28,550	-	-	-	28,550
Disposals	-	-	-	-	-
At 31 March 2024	<u>399,703</u>	<u>2,567</u>	<u>7,350</u>	<u>109,089</u>	<u>518,709</u>
DEPRECIATION					
As at 1 January 2023	121,153	1,282	7,350	106,634	236,419
Charge for period	-	801	-	1,023	1,824
On Disposals	-	-	-	-	-
At 31 March 2024	<u>121,153</u>	<u>2,083</u>	<u>7,350</u>	<u>107,657</u>	<u>238,243</u>
NET BOOK VALUE					
At 31 March 2024	<u>278,550</u>	<u>484</u>	<u>-</u>	<u>1,432</u>	<u>280,466</u>
At 31 December 2022	<u>250,000</u>	<u>1,285</u>	<u>-</u>	<u>2,455</u>	<u>253,740</u>

Arts Factory Ltd

**Notes to the financial statements (continued)
for the 15 months ended 31 March 2024**

9 Debtors

	2024	2022
	£	£
Grants receivable	-	-
Trade debtors	24,626	18,667
Other debtors and prepayments	7,583	3,577
	<u>32,209</u>	<u>22,244</u>

10 Creditors: amounts falling due within one year

	2024	2022
	£	£
Bank loans and overdrafts	6,500	7,200
Trade creditors	9,745	11,124
Taxes and social security	3,169	3,056
Other creditors	1,267	591
Accruals & deferred income	2,250	31,066
	<u>22,931</u>	<u>53,037</u>

11 Creditors: amounts falling due after more than one year

	2024	2022
	£	£
Bank loans	31,908	39,512
Other creditors	-	-
	<u>31,908</u>	<u>39,512</u>

12 Designated funds

	Balance at beginning of year £	New designations £	Utilised/ released £	Transfer t/f capital grant funds £	Balance at end of year £
Tangible Fixed Assets fund	<u>253,740</u>	<u>28,550</u>	<u>(1,824)</u>	<u>-</u>	<u>280,466</u>

The tangible fixed assets fund represents the net book value of the charity's unrestricted tangible fixed assets. The fund has been created to recognise the fact that the tangible fixed assets are required for the day to day operations of the charity and are not available for other purposes or for general reserves.

Arts Factory Ltd

Notes to the financial statements (continued)
for the 15 months ended 31 March 2024

13 Restricted income funds

	Balance at beginning of period £	Income in period £	Expenditure in period £	Transfer t/f unrestricted funds £	Balance at end of period £
Social Services Learning Disability SLA	-	62,411	62,650	239	-
WCVA Active Inclusion Grant	-	16,455	16,455	-	-
CWVYS Youth Grant	-	6,000	6,000	-	-
CFW Principality Youth Grant Fund	3,680	-	3,680	-	-
Interlink Small grant	-	1,000	1,008	8	-
Lottery Fund:Bringing Villages together	-	45,708	41,071	-	4,637
Lottery Fund: Cost of Living grant	-	99,394	50,207	-	49,187
Lottery Fund: Youth	-	20,000	-	-	20,000
Moondance Foundation	15,126	-	15,126	-	-
NRW Rhondda Fach Garden Project	-	15,404	15,404	-	-
PCS Union	4,407	1,450	5,857	-	-
Pen y Cymoedd Windfarm Youth Grant	4,477	-	4,477	-	-
Peoples First Grant	17,541	-	17,541	-	-
RCT: Food community grant	-	1,000	1,000	-	-
RCT: Dementia grant	-	2,000	2,003	3	-
RCT: Network Neighbourhood grant	-	1,000	1,006	6	-
RCT: Winter Hardship Grant	1,286	2,000	3,254	(32)	-
RCT: Disabled Changing room	-	35,000	35,160	160	-
RIF Dementia Grant	12,417	-	12,492	75	-
South Wales Police Youth Trust	10,000	-	10,040	40	-
WCVA: Volunteering Wales Grant	6,752	24,939	27,694	-	3,997
Spar: cost of living grant	-	96	96	-	-
SPF grant/RCT Prosperity Fund	-	53,153	39,004	-	14,149
Trivallis cost of living grant	-	800	385	-	415
Welsh Church Fund	-	6,640	6,640	-	-
Welsh Government	-	259,119	259,119	-	-
Other small grants	-	3,390	1,159	-	2,231
Total funds	75,686	656,959	638,528	499	94,616

14 Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Unrestricted funds				
Designated funds	280,466	-	-	280,466
General income fund	-	116,571	(31,908)	84,663
Restricted income funds	-	94,616	-	94,616
Total funds	280,466	211,187	(31,908)	459,745

ARTS FACTORY LTD

England & Wales - Charity number 1178430

Accounts

Report and Financial Statements
for the year ended 31 December 2022

for

Arts Factory Ltd

Company registration number 02491685

Charity number 1178430

Arts Factory Ltd

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for the year ended 31 December 2022**

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Arts Factory Ltd
Charity Information
for the year ended 31 December 2022

Directors and Trustees	Mr M Bryan (Chair) Ms A Evans Mr B Triggs Mr L Moss Mr R Lines Ms A Love	resigned 10 January 2022
Charity Number	1178430	
Company Number	2491685	
Registered Office	Trerhonda The Strand Ferndale Rhondda Cynon Taff CF43 4LY	
Accountants and Independent Examiners	Arian Accountants Limited 19 Sundew Close Cardiff CF5 2SE	
Bankers	Barclays Bank plc	

Arts Factory Ltd

Report of the Trustees for the year ended 31 December 2022

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

Objectives

The objects of the charity are to provide or assist in the provision of social welfare facilities for recreation or other leisure time occupation by individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship, or social circumstances with the object of improving their conditions of life.

Activities

The charity operates a Health and Wellbeing Centre at Trerhondda Chapel in the town centre of Ferndale in the upper Rhondda Fach. The centre runs various courses, clubs, and groups for beneficiaries as well as several social business activities that both generate income and allow us to offer opportunities to people to train and upskill themselves through volunteering. The charity also operates a garden project in partnership with Sunrise Community Garden called Rhondda Fach Community Garden which allows volunteers to upskill themselves and improve their mental health and wellbeing in the outdoors. The charity relies on earned income, grants, a service level agreement, and donations to cover its operating costs.

The Trustees endeavour to encourage all members of the community to engage in our activities and programmes and this should enable them to change their lives.

Achievements

Achievements and highlights of the year for Arts Factory include:

- We increased our staff team to include a Volunteer Coordinator role to enable us to recruit more volunteers and give them a progression route with a dedicated worker.
- All of the staff team received LGBTQ+ training so they are more confident in dealing with any issues that arise.
- During 2022 we delivered food parcels which helped to feed 1967 adults and 839 children as part of our partnership project with Fareshare Cymru to deliver Cupboard Essential packs.
- We celebrated World Mental Health Day within our Health & Wellbeing groups.
- We provided a summer programme this year dedicated to youth and delivered youth drop-in sessions and Bush crafting throughout the school holidays.
- Our Graphic Design service has continued to grow from strength to strength during 2022 and sales exceeded budget figures.
- Factory Books has had an intensive training programme put in place to reduce mistakes made and help grow our sales.
- Rhondda Fach Community Garden has grown in strength and had a good crop of vegetables grown this year and provided the community with low-cost home-grown food. We have seen an increase in demand to cut grass for the more vulnerable people in our community and look to build on this in 2023.
- Our Active Inclusion project was completed in December 2022. It met all the grant requirements and hit all its targets working with over 75 people enabling them to get closer to the work market and increase their confidence.
- We created a pilot project with Timecentres to work with the community and local shops to introduce time credits locally. This is in its infancy but is already showing some promising outcomes.
- Our CEO is part of the Welsh Government Economy Meetings with the Minister to help influence and inform on Third Sector work.

Arts Factory Ltd

Report of the Trustees (continued)

- We were invited by Cwm Taf Morgannwg Health Board to take part in the CTM2030 Community Leaders sessions, and our CEO and Health & Wellbeing Coordinator attended the inaugural meeting which was held at Trerhondda.
- We held a staff and trustee planning session in November 2022 to discuss how Arts Factory can move forward with the opportunity of Maerdy Community Centre being donated to us. We held a consultation event in July 2022 to gauge public interest in opening the centre which was very well attended by over 80 people.
- We operated Warm Hubs at the start and end of 2022 which were well attended, we also gave out warm packs to people who needed them.
- We delivered Christmas Hampers in partnership with Fern Partnership to local primary schools for the families that were in need.
- We took a coach of staff, volunteers, and group members to the New Theatre in Cardiff to see the panto Snow White. In addition, we did a whole team day out to St Fagans.
- We were approached by The Guardian newspaper to be filmed to be part of their Christmas donation appeal. We were also approached by Locality to be filmed for The Independent newspapers Christmas donation appeal. Both opportunities enabled us to access valuable funding and donations from supporters.

Financial review

Members of the management committee meet quarterly to review the financial position of the charity. As a result of this information they are confident in realistically reviewing and adjusting budgets. During the year funding continued to be received for the charity's main activities. Pen y Cymoedd Windfarm continued to support the charity with a revenue grant of £25,176. The Wales Council for Voluntary Action gave a grant of £29,361 to support the active inclusion programme and the Moondance Foundation supported the charity with a grant of £30,000 during the year. The charity also received a number of other grants and donations.

It is the policy of the charity that unrestricted liquid reserves held by the charity should be at least £30,000, representing approximately a quarter of ongoing annual overhead costs. At this level the trustees consider that they would be able to accommodate any fundamental funding changes. At the balance sheet date the charity's unrestricted general income fund reserves exceeded that amount, at £84,210. As always, future funding of the Arts Factory is an ongoing dialogue with all our funders.

Structure, governance and management

The charity is constituted as a company limited by guarantee and is also a registered charity. The directors serve also as the trustees of the charity. Reference and administrative details are shown in the company information page. The directors have the power to appoint additional trustees.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Arts Factory Ltd for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

Arts Factory Ltd

Report of the Trustees (continued)

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

- there is no relevant information of which the charity's Independent Examiner is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the Independent Examiner is aware of that information.

Approval by order of the board of trustees

MH BRYAN

Director

Independent Examiner's Report to the Trustees of Arts Factory Ltd ("the Company")

I report to the charity trustees on my examination of the accounts of Arts Factory Ltd for the year ended 31 December 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also it's directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for Accounting and Reporting by Charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

Andrea L Davies ACA

21 August 2023

Chartered Accountant

Arian Accountants Limited

19 Sundew Close

Cardiff

CF5 2SE

Arts Factory Ltd

**Statement of Financial Activities (incorporating the income and expenditure account)
for the year ended 31 December 2022**

	<u>Note</u>	Restricted Funds	Unrestricted Funds	2022 Total	2021 Total
		£	£	£	£
Income					
Donations and legacies	3	-	11,764	11,764	13,592
<i>Income from charitable activities:</i>					
Arts Factory operations	4	242,841	236,427	479,268	472,519
Investment income		-	118	118	10
Total income		<u>242,841</u>	<u>248,309</u>	<u>491,150</u>	<u>486,121</u>
Expenditure					
<i>Expenditure on charitable activities:</i>					
Arts Factory operations	5	207,647	259,245	466,892	409,870
Total expenditure		<u>207,647</u>	<u>259,245</u>	<u>466,892</u>	<u>409,870</u>
Net income and net movement in funds for the year		35,194	(10,936)	24,258	76,251
Reconciliation of funds					
Total funds brought forward		35,258	354,120	389,378	313,127
Transfer between funds		5,234	(5,234)	-	-
Total funds carried forward		<u>75,686</u>	<u>337,950</u>	<u>413,636</u>	<u>389,378</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All income and expenditure derive from continuing activities.

The notes on pages 8 to 12 form part of these financial statements

Arts Factory Ltd

**Balance Sheet
As at 31 December 2022**

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	8		253,740		253,766
Current assets					
Debtors	9	22,244		53,292	
Cash at Bank and in hand		<u>230,201</u>		<u>163,893</u>	
		252,445		217,185	
Current Liabilities					
Creditors: Amounts falling due within one year	10		<u>(53,037)</u>		<u>(33,491)</u>
Net current (liabilities)/assets			199,408		183,694
Total assets less current liabilities			<u>453,148</u>		<u>437,460</u>
Creditors: Amounts falling due after more than one year	11		<u>(39,512)</u>		<u>(46,332)</u>
Net assets			<u>413,636</u>		<u>391,128</u>
		£	£	£	£
The funds of the charity:					
Unrestricted income funds					
Designated fund	12	253,740		256,927	
General income fund		<u>84,210</u>		<u>97,193</u>	
			337,950		354,120
Restricted income funds	13		75,686		35,258
Capital grants funds	14		-		1,750
Total charity funds			<u>413,636</u>		<u>391,128</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s.477 of the Companies Act 2006. Members have not required the company, under s.476 of the Companies Act 2006, to obtain an audit for the year ended 31 December 2022.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 & 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of the affairs of the company as at 31 December 2022 and of its surplus or deficit for the year then ended in accordance with the requirements of ss.394 & 395 and which otherwise comply with the requirements of the Act, relating to the financial statements, so far as applicable to the company.

These financial statements, which have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies were approved by the Trustees on 21 August 2023 and signed on its behalf.

MH Bryan

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M Bryan

Director

The notes on pages 8 to 12 form part of these financial statements

Arts Factory Ltd

Notes to the financial statements for the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Arts Factory Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Income

(i) donations and similar income

Donations and similar income is recognised when received.

(ii) revenue grants

Revenue grants are generally recognised in the period in which they are received.

(iii) capital grants

Capital grants are recognised as the corresponding expense is incurred.

(iv) other income

All other income is recognised in the period to which it relates.

Expenditure and irrecoverable VAT

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

Tangible fixed assets

Fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation is provided in order to write off the cost of fixed assets over their estimated useful lives in equal annual instalments, as follows :

Motor Vehicles	25% on cost
Computer equipment	25% on cost
Tools and equipment	25% on cost

Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the statement of financial activities when due.

Arts Factory Ltd

Notes to the financial statements (continued)
for the year ended 31 December 2022

1 Accounting policies cont'd

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

2 Legal status

The Arts Factory is a company limited by guarantee and has no share capital.

3 Donations and legacies

	Restricted £	Unrestricted £	2022 £	2021 £
Cash Donations	-	11,764	11,764	13,592
	<u>-</u>	<u>11,764</u>	<u>11,764</u>	<u>13,592</u>

4 Income from charitable activities

	Restricted £	Unrestricted £	2022 £	2021 £
<i>Sales income</i>				
Graphic design	-	200,536	200,536	199,119
Room rental	-	14,925	14,925	9,134
Book Factory	-	13,383	13,383	16,689
Other sundry income	-	1,493	1,493	329
	<u>-</u>	<u>230,337</u>	<u>230,337</u>	<u>225,271</u>
<i>Support from sponsors and local authorities:</i>				
Social Services Learning Disability SLA	49,929	-	49,929	49,929
ICF renovation grant	-	-	-	54,792
Moondance renovation grant	30,000	-	30,000	-
Capital grant release *	1,750	-	1,750	6,750
Pen y Cymoedd grants	25,176	-	25,176	14,647
WCVA Active Inclusion	29,361	-	29,361	24,304
RCT Coronavirus grants	-	6,000	6,000	18,750
Waterloo Foundation	-	-	-	10,000
Other grants received	106,625	90	106,715	68,076
* see note 14	<u>242,841</u>	<u>236,427</u>	<u>479,268</u>	<u>472,519</u>

5 Analysis of expenditure on charitable activities

	Restricted £	Unrestricted £	2022 £	2021 £
<i>On charitable activities:</i>				
Purchases and other direct costs	83,495	111,718	195,213	193,056
Employee costs	112,025	89,999	202,024	164,311
Premises costs	4,050	27,807	31,857	19,910
General office expenses	8,077	19,127	27,204	28,118
Interest paid	-	2,362	2,362	1,981
	<u>207,647</u>	<u>251,013</u>	<u>458,660</u>	<u>407,376</u>
<i>On governance costs:</i>				
Accountancy fees	-	1,950	1,950	1,950
Other professional costs	-	6,282	6,282	544
	<u>207,647</u>	<u>259,245</u>	<u>466,892</u>	<u>409,870</u>

Arts Factory Ltd

**Notes to the financial statements (continued)
for the year ended 31 December 2022**

6 Net income for the year

The net income for the year is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets: owned by the charity	3,296	7,478
Accountancy fees	<u>1,950</u>	<u>1,950</u>

7 Staffing and trustee remuneration

	2022	2021
	£	£
<i>Staff costs</i>		
Wages and salaries	183,390	125,817
Social Security costs	9,336	2,965
Pension costs	<u>7,967</u>	<u>4,191</u>
	<u>200,693</u>	<u>132,973</u>

During the year the average number of employees was 13 (2021: 11). No employee received employee benefits in excess of £60,000 (2021: Nil).

No remuneration was paid to any trustees during the year nor any expenses reimbursed (2021: £Nil).

8 Tangible fixed assets

	Land & buildings	Tools & equipment	Motor vehicles	Computer equipment	Total
	£	£	£	£	£
COST					
As at 1 January 2022	371,153	2,567	7,350	105,819	486,889
Additions	-	-	-	3,270	3,270
Disposals	-	-	-	-	-
At 31 December 2022	<u>371,153</u>	<u>2,567</u>	<u>7,350</u>	<u>109,089</u>	<u>490,159</u>
DEPRECIATION					
As at 1 January 2022	121,153	641	5,513	105,816	233,123
Charge for period	-	641	1,837	818	3,296
On Disposals	-	-	-	-	-
At 31 December 2022	<u>121,153</u>	<u>1,282</u>	<u>7,350</u>	<u>106,634</u>	<u>236,419</u>
NET BOOK VALUE					
At 31 December 2022	<u>250,000</u>	<u>1,285</u>	<u>-</u>	<u>2,455</u>	<u>253,740</u>
At 31 December 2021	<u>250,000</u>	<u>1,926</u>	<u>1,837</u>	<u>3</u>	<u>253,766</u>

Arts Factory Ltd

**Notes to the financial statements (continued)
for the year ended 31 December 2022**

9 Debtors

	2022	2021
	£	£
Grants receivable	-	18,466
Trade debtors	18,667	34,826
Other debtors and prepayments	3,577	-
	<u>22,244</u>	<u>53,292</u>

10 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	7,200	7,600
Trade creditors	11,124	8,716
Taxes and social security	3,056	9,621
Other creditors	591	1,304
Accruals & deferred income	31,066	6,250
	<u>53,037</u>	<u>33,491</u>

11 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	39,512	46,332
Other creditors	-	-
	<u>39,512</u>	<u>46,332</u>

12 Designated funds

	Balance at beginning of year £	New designations £	Utilised/ released £	Transfer t/f capital grant funds £	Balance at end of year £
Tangible Fixed Assets fund	<u>252,016</u>	<u>3,270</u>	<u>(3,296)</u>	<u>1,750</u>	<u>253,740</u>

The tangible fixed assets fund represents the net book value of the charity's unrestricted tangible fixed assets. The fund has been created to recognise the fact that the tangible fixed assets are required for the day to day operations of the charity and are not available for other purposes or for general reserves.

Arts Factory Ltd

Notes to the financial statements (continued)
for the year ended 31 December 2022

13 Restricted income funds

	Balance at beginning of year	Income in year	Expenditure in year	Transfer t/f unrestricted funds	Balance at end of year
	£	£	£	£	£
Social Services Learning Disability SLA	-	49,929	49,929	-	-
WCVA Active Inclusion Grant	-	29,361	32,372	3,011	-
ACE's grant	-	10,745	10,745	-	-
CFW Principality Youth Grant Fund	-	5,000	1,320	-	3,680
Coalfields Fund	-	4,717	4,717	-	-
Community Engagement Fund	-	4,500	4,500	-	-
ICF Dementia Grant Recovery & reconnect	4,147	-	4,273	126	-
Interlink Sydney Albert Fund	576	-	584	8	-
Interlink WG Volunteer Resilience Grant	1,484	-	1,484	-	-
Interlink Youth Grant	-	1,082	1,082	-	-
Interlink Kindness Grant	1,500	-	1,500	-	-
Interlink Winter Pressures Grant	7,685	-	7,686	1	-
Kickstart Grant	1,500	7,713	9,213	-	-
Lidl Food grant	-	500	500	-	-
Mabon Trust	-	400	400	-	-
Maerdy Wind Farm grants	-	1,500	1,643	143	-
Neighbourhood Network Grant	-	1,000	1,091	91	-
PCS Union	-	9,500	5,093	-	4,407
South Wales Police Youth Trust	-	10,000	-	-	10,000
Moondance Foundation	-	30,000	14,874	-	15,126
NRW Rhondda Fach Garden Project	-	4,467	4,467	-	-
Pen y Cymoedd Windfarm Revenue Grant	-	20,676	22,487	1,811	-
Pen y Cymoedd Windfarm Youth Grant	-	4,500	23	-	4,477
Peoples First Grant	9,800	10,000	2,259	-	17,541
RCT Neighbourhood Network	-	1,000	1,041	41	-
RCT Foodshare Fund	-	555	557	2	-
RCT Summer of Fun Grant	642	-	642	-	-
RCT Winter Hardship Grant	-	2,002	716	-	1,286
RCT Youth grant	-	5,721	5,721	-	-
RIF Dementia Grant	-	15,000	2,583	-	12,417
WCVA Volunteering Wales Grant	-	11,223	4,471	-	6,752
Waterloo Foundation	7,924	-	7,924	-	-
Capital Grant Release	-	1,750	1,750	-	-
Total funds	35,258	242,841	207,647	5,234	75,686

14 Capital grants funds

	Pen y Cymoedd	Coalfields	Total
	£	£	£
Balance at 1 January 2022	-	1,750	1,750
Income for the year	-	-	-
Expenditure for the year : release to income	-	(1,750)	(1,750)
Balance at 31 December 2022	-	-	-

15 Analysis of net assets between funds

	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£
Unrestricted funds				
Designated funds	253,740	-	-	253,740
General income fund	-	123,722	(39,512)	84,210
Restricted income funds	-	75,686	-	75,686
Restricted capital grant funds	-	-	-	-
Total funds	253,740	199,408	(39,512)	413,636

ARTS FACTORY LTD

England & Wales - Charity number 1178430

Accounts

Report and Financial Statements
for the year ended 31 December 2021

for

Arts Factory Ltd
(A company limited by guarantee)

Company registration number 02491685

Charity number 1178430

Arts Factory Ltd

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for the year ended 31 December 2021**

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Arts Factory Ltd
Charity Information
for the year ended 31 December 2021

Directors and Trustees	Mr M Bryan (Chair) Ms A Evans Mr B Triggs Mr L Moss Mr R Lines Ms A Love	resigned 10 January 2022
Charity Number	1178430	
Company Number	2491685	
Registered Office	Trerhonda The Strand Ferndale Rhondda Cynon Taff CF43 4LY	
Accountants and Independent Examiners	Arian Accountants Limited 19 Sundew Close Cardiff CF5 2SE	
Bankers	Barclays Bank plc	

Arts Factory Ltd

Report of the Trustees for the year ended 31 December 2021

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

Objectives

The objects of the charity are to provide or assist in the provision of social welfare facilities for recreation or other leisure time occupation by individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

Activities

The charity operates a Health and Wellbeing Centre at Trerhondda Chapel in the town centre of Ferndale in the upper Rhondda Fach. The centre runs various courses, clubs and groups for beneficiaries as well as a number of social business activities that both generate income and allow us to offer opportunities to people to train and upskill themselves through volunteering. The charity relies on earned income, grants, a service level agreement and donations to cover its operating costs.

The Trustees endeavour to encourage all members of the community to engage in our activities and programmes and this should enable them to change their lives.

Achievements

Achievements and highlights of the year for Arts Factory include:

- We are proud to say that, despite 2021 being another year that was heavily impacted by the Covid pandemic, and where our ability to serve the community was curtailed at times due to the restrictions in place, we were one of the few community facilities that were open as often as the rules allowed, with the appropriate Covid risk assessments in place.
- 2021 also saw the growth of our staff team, with three 3 new members of staff taken on in the roles of Garden Coordinator, Garden Assistant and Warehouse Van Driver.
- Our Fareshare Cupboard Essential Parcels were constantly busy during 2021. During the year we delivered 1125 food parcels which helped to feed 1728 adults and 751 children.
- We had a visit from Mark Drakeford, First Minister of Wales, in April 2021 to look at what we have been doing at Arts Factory during the pandemic.
- Some of our staff and key volunteers were filmed by the BBC for a Hayley Pearce show called Virgin Voter, to show the work we were doing around food poverty and why people should be voting.
- We celebrated Volunteers Week in June and our Health & Wellbeing Coordinator was interviewed live on Rhondda Radio promoting our services.
- We worked in partnership with Aim Academy, Cambrian Village Trust and YEPS to deliver our Summer of Fun School Holiday programme.
- Our Graphic Design service has continued to grow from strength to strength during 2021 and sales exceeded budget figures.
- Factory Books has had a slow year and volunteers were still getting used to being able to mingle and be back at the workplace. Lots of our volunteers needed additional support around their mental health and the after effects of numerous lockdowns.
- Friendly Friday's community Café was launched for people to pop in for a cuppa and a chat, a low cost and fun atmosphere.
- We were successful in gaining funding from the Welsh Government Kickstart initiative which enabled us to employ a Finance Assistant.

Arts Factory Ltd

Report of the Trustees (continued)

- We launched Rhondda Fach Community Garden on 1st July 2021, and it was opened by the local Mayor for Rhondda Cynon Taff. Intergenerational work has commenced with the local primary schools. This project has gone from strength to strength and has involved lots of community activities such as litter picking, garden clearances, open days and partnership working with other groups.
- Active Inclusion new funding commenced on 1st November 2021 and will see the project continue until September 2022. There was a waiting list of participants for this new project.
- Barod are now offering a weekly drop-in service at Trerhondda.
- We were awarded the “Mayor of Rhondda Cynon Taff Community Award 2021” for our work in the community.
- We celebrated Welsh Charities Week with the limelight being shone on our volunteer team.
- We delivered Christmas Hampers to local primary schools for the families that were in need.
- We were fortunate to have funding to run a coach trip for staff, volunteers, and group members to the New Theatre in Cardiff to see the panto Aladdin.

Financial review

Members of the management committee meet quarterly to review the financial position of the charity. As a result of this information they are confident in realistically reviewing and adjusting budgets. During the year funding continued to be received for the charity's main activities. We were fortunate to obtain funding from a large number of funders such as Pen y Cymoedd Windfarm with £14,647, Natural Resources Wales with £21,750 and various Interlink grants totalling £19,758. The Wales Council for Voluntary Action continued their support with a grant of £24,304.

It is the policy of the charity that the unrestricted reserves (excluding any designated funds) should be at least £75,000. At this level the trustees consider that they would be able to accommodate any fundamental funding changes. As at the balance sheet date the charity has met this objective as total unrestricted general reserves were £102,104.

Structure, governance and management

The charity is constituted as a company limited by guarantee and is also a registered charity. The directors serve also as the trustees of the charity. Reference and administrative details are shown in the company information page. The directors have the power to appoint additional trustees.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Arts Factory Ltd for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

Arts Factory Ltd

Report of the Trustees (continued)

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

- there is no relevant information of which the charity's Independent Examiner is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the Independent Examiner is aware of that information.

Approval by order of the board of trustees

MH Bryan

Director

Independent Examiner's Report to the Trustees of Arts Factory Ltd ("the Company")

I report to the charity trustees on my examination of the accounts of Arts Factory Ltd for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also it's directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for Accounting and Reporting by Charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

Andrea L Davies ACA

9 May 2022

Chartered Accountant

Arian Accountants Limited

19 Sundew Close

Cardiff

CF5 2SE

Arts Factory Ltd

**Statement of Financial Activities (incorporating the income and expenditure account)
for the year ended 31 December 2021**

	<u>Note</u>	Restricted Funds	Unrestricted Funds	2021 Total	2020 Total
		£	£	£	£
Income					
Donations and legacies	3	-	13,592	13,592	1,670
<i>Income from charitable activities:</i>					
Arts Factory operations	4	227,075	245,444	472,519	456,133
Investment income		-	10	10	33
Total income		<u>227,075</u>	<u>259,046</u>	<u>486,121</u>	<u>457,836</u>
Expenditure					
<i>Expenditure on charitable activities:</i>					
Arts Factory operations	5	228,336	181,534	409,870	340,847
Total expenditure		<u>228,336</u>	<u>181,534</u>	<u>409,870</u>	<u>340,847</u>
Net income and net movement in funds for the year		(1,261)	77,512	76,251	116,989
Reconciliation of funds					
Total funds brought forward		31,639	281,488	313,127	196,138
Transfer between funds		4,880	(4,880)	-	-
Total funds carried forward		<u>35,258</u>	<u>354,120</u>	<u>389,378</u>	<u>313,127</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All income and expenditure derive from continuing activities.

The notes on pages 8 to 12 form part of these financial statements

Arts Factory Ltd

**Balance Sheet
As at 31 December 2021**

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	8		253,766		258,677
Current assets					
Debtors	9		53,292		68,012
Cash at Bank and in hand			<u>163,893</u>		<u>127,661</u>
			217,185		195,673
Current Liabilities					
Creditors: Amounts falling due within one year	10		<u>(33,491)</u>		<u>(77,790)</u>
Net current (liabilities)/assets			183,694		117,883
Total assets less current liabilities			<u>437,460</u>		<u>376,560</u>
Creditors: Amounts falling due after more than one year	11		<u>(46,332)</u>		<u>(54,933)</u>
Net assets			<u><u>391,128</u></u>		<u><u>321,627</u></u>
		£	£	£	£
The funds of the charity:					
Unrestricted income funds					
Designated fund	12		252,016		-
General income fund			<u>102,104</u>		<u>281,488</u>
			354,120		281,488
Restricted income funds	13		35,258		31,639
Capital grants funds	14		1,750		8,500
Total charity funds			<u><u>391,128</u></u>		<u><u>321,627</u></u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s.477 of the Companies Act 2006. Members have not required the company, under s.476 of the Companies Act 2006, to obtain an audit for the year ended 31 December 2021.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 & 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of the affairs of the company as at 31 December 2021 and of its surplus or deficit for the year then ended in accordance with the requirements of ss.394 & 395 and which otherwise comply with the requirements of the Act, relating to the financial statements, so far as applicable to the company.

These financial statements, which have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies were approved by the Trustees on 9 May 2022 and signed on its behalf.

MH Bryan

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M Bryan

Director

The notes on pages 8 to 12 form part of these financial statements

Arts Factory Ltd

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Arts Factory Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Income

(i) donations and similar income

Donations and similar income is recognised when received.

(ii) revenue grants

Revenue grants are generally recognised in the period in which they are received.

(iii) capital grants

Capital grants are recognised as the corresponding expense is incurred.

(iv) other income

All other income is recognised in the period to which it relates.

Expenditure and irrecoverable VAT

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

Tangible fixed assets

Fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation is provided in order to write off the cost of fixed assets over their estimated useful lives in equal annual instalments, as follows :

Motor Vehicles	25% on cost
Computer equipment	25% on cost
Tools and equipment	25% on cost

Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the statement of financial activities when due.

Arts Factory Ltd

Notes to the financial statements (continued)
for the year ended 31 December 2021

1 Accounting policies cont'd

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

2 Legal status

The Arts Factory is a company limited by guarantee and has no share capital.

3 Donations and legacies

	Restricted £	Unrestricted £	2021 £	2020 £
Donations	-	13,592	13,592	1,670
	<u>-</u>	<u>13,592</u>	<u>13,592</u>	<u>1,670</u>

4 Income from charitable activities

	Restricted £	Unrestricted £	2021 £	2020 £
<i>Sales income</i>				
Graphic design	-	199,119	199,119	142,626
Room rental	-	9,134	9,134	6,217
Book Factory	-	16,689	16,689	19,124
Other sundry income	-	329	329	78
	<u>-</u>	<u>225,271</u>	<u>225,271</u>	<u>168,045</u>

Support from sponsors and local authorities:

Social Services Learning Disability SLA	49,929	-	49,929	58,004
ICF renovation grant	54,792	-	54,792	-
Capital grant release *	6,750	-	6,750	6,750
Pen y Cymoedd revenue grant	14,647	-	14,647	26,555
WCVA Active Inclusion	24,304	-	24,304	41,604
RCT Coronavirus grants	-	18,750	18,750	2,935
Waterloo Foundation	10,000	-	10,000	28,927
Other grants received	66,653	1,423	68,076	123,313

* see note 14

	<u>227,075</u>	<u>245,444</u>	<u>472,519</u>	<u>456,133</u>
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5 Analysis of expenditure on charitable activities

	Restricted £	Unrestricted £	2021 £	2020 £
<i>On charitable activities:</i>				
Purchases and other direct costs	112,066	80,990	193,056	161,379
Employee costs	105,700	58,611	164,311	133,876
Premises costs	-	19,910	19,910	19,511
General office expenses	10,570	17,548	28,118	20,843
Interest paid	-	1,981	1,981	2,988
	<u>228,336</u>	<u>179,040</u>	<u>407,376</u>	<u>338,597</u>

On governance costs:

Accountancy fees	-	1,950	1,950	2,250
Other professional costs	-	544	544	-
	<u>228,336</u>	<u>181,534</u>	<u>409,870</u>	<u>340,847</u>

Arts Factory Ltd

**Notes to the financial statements (continued)
for the year ended 31 December 2021**

6 Net income for the year

The net income for the year is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets: owned by the charity	7,478	7,485
Accountancy fees	<u>1,950</u>	<u>2,250</u>

7 Staffing and trustee remuneration

	2021	2020
	£	£
<i>Staff costs</i>		
Wages and salaries	146,970	125,817
Social Security costs	6,976	2,965
Pension costs	<u>6,670</u>	<u>4,191</u>
	<u>160,616</u>	<u>132,973</u>

During the year the average number of employees was 11 (2020: 9). No employee received employee benefits in excess of £60,000 (2020: Nil).

No remuneration was paid to any trustees during the year nor any expenses reimbursed (2020: £Nil).

8 Tangible fixed assets

	Land & buildings	Tools & equipment	Motor vehicles	Computer equipment	Total
	£	£	£	£	£
COST					
As at 1 January 2021	371,153	-	7,350	105,819	484,322
Additions	-	2,567	-	-	2,567
Disposals	-	-	-	-	-
At 31 December 2021	<u>371,153</u>	<u>2,567</u>	<u>7,350</u>	<u>105,819</u>	<u>486,889</u>
DEPRECIATION					
As at 1 January 2021	121,153	-	3,676	100,816	225,645
Charge for period	-	641	1,837	5,000	7,478
On Disposals	-	-	-	-	-
At 31 December 2021	<u>121,153</u>	<u>641</u>	<u>5,513</u>	<u>105,816</u>	<u>233,123</u>
NET BOOK VALUE					
At 31 December 2021	<u>250,000</u>	<u>1,926</u>	<u>1,837</u>	<u>3</u>	<u>253,766</u>
At 31 December 2020	<u>250,000</u>	<u>-</u>	<u>3,674</u>	<u>5,003</u>	<u>258,677</u>

Arts Factory Ltd

**Notes to the financial statements (continued)
for the year ended 31 December 2021**

9 Debtors

	2021	2020
	£	£
Grants receivable	18,466	44,305
Trade debtors	34,826	9,698
Other debtors and prepayments	-	14,009
	<u>53,292</u>	<u>68,012</u>

10 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	7,600	6,600
Trade creditors	8,716	52,356
Taxes and social security	9,621	4,157
Other creditors	1,304	1,470
Accruals	6,250	13,207
	<u>33,491</u>	<u>77,790</u>

11 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	46,332	54,933
Other creditors	-	-
	<u>46,332</u>	<u>54,933</u>

12 Designated funds

	Balance at beginning of year	New designations	Utilised/ released	Transfer t/f capital grant funds	Balance at end of year
	£	£	£	£	£
Tangible Fixed Assets fund	<u>-</u>	<u>252,744</u>	<u>(7,478)</u>	<u>6,750</u>	<u>252,016</u>

The tangible fixed assets fund represents the net book value of the charity's unrestricted tangible fixed assets. The fund has been created to recognise the fact that the tangible fixed assets are required for the day to day operations of the charity and are not available for other purposes or for general reserves.

Arts Factory Ltd

Notes to the financial statements (continued)
for the year ended 31 December 2021

13 Restricted income funds

	Balance at beginning of year £	Income in year £	Expenditure in year £	Transfer t/f unrestricted funds £	Balance at end of year £
Social Services Learning Disability SLA	-	49,929	49,929	-	-
Active Inclusion Grant	-	24,304	28,101	3,797	-
Arnold Clark Community fund	-	1,000	1,014	14	-
CFW Resilience Fund	1,839	-	1,839	-	-
Community Capacity Grant: Dementia	1,602	-	1,602	-	-
ICF Reminiscence Fund	3,389	-	3,431	42	-
ICF renovation grant	-	54,792	54,792	-	-
ICF Dementia Grant 2020-21	-	4,878	5,660	782	-
ICF Dementia Grant Recovery & reconnect	-	6,025	1,878	-	4,147
Interlink Big Lunch Grant	-	250	378	128	-
Interlink Sydney Albert Fund	-	1,680	1,104	-	576
Interlink WG Volunteer Resilience Grant	-	8,300	6,816	-	1,484
Interlink Youth Grant	-	343	343	-	-
Interlink Kindness Grant	-	1,500	-	-	1,500
Interlink Winter Pressures Grant	-	7,685	-	-	7,685
Kickstart Grant	-	2,511	1,011	-	1,500
Millenium Stadium Grant fund	1,365	-	1,385	20	-
Moondance Foundation	9,670	-	9,670	-	-
NRW Rhondda Fach Garden Project	(4,485)	21,750	17,265	-	-
Pen y Cymoedd Windfarm Revenue Grant	-	14,647	14,647	-	-
Peoples First Grant	9,800	-	-	-	9,800
RCT Adult Changing Room Fund	-	4,000	4,000	-	-
RCT Foodshare Fund	500	-	500.00	-	-
RCT Parent & Toddler Grant	-	993	997	4	-
RCT Summer of Fun Grant	-	3,900	3,258	-	642
RCT Age Cymru Grant	-	500	592	92	-
RCT Youth grant	-	1,338	1,339	1	-
Waterloo Foundation	7,959	10,000	10,035	-	7,924
Capital Grant Release	-	6,750	6,750	-	-
Total funds	31,639	227,075	228,336	4,880	35,258

14 Capital grants funds

	Pen y Cymoedd £	Coalfields £	Total £
Balance at 1 January 2021	5,000	3,500	8,500
Income for the year	-	-	-
Expenditure for the year : release to income	(5,000)	(1,750)	(6,750)
Balance at 31 December 2021	-	1,750	1,750

15 Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Unrestricted funds				
Designated funds	252,016	-	-	252,016
General income fund	-	148,436	(46,332)	102,104
Restricted income funds	-	35,258	-	35,258
Restricted capital grant funds	1,750	-	-	1,750
Total funds	253,766	183,694	(46,332)	391,128

ARTS FACTORY LTD

England & Wales - Charity number 1178430

Accounts

Report and Financial Statements
for the year ended 31 December 2021

for

Arts Factory Ltd
(A company limited by guarantee)

Company registration number 02491685

Charity number 1178430

Arts Factory Ltd

**Contents of the Financial Statements
for the year ended 31 December 2021**

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Arts Factory Ltd
Charity Information
for the year ended 31 December 2021

Directors and Trustees	Mr M Bryan (Chair) Ms A Evans Mr B Triggs Mr L Moss Mr R Lines Ms A Love	resigned 10 January 2022
Charity Number	1178430	
Company Number	2491685	
Registered Office	Trerhonda The Strand Ferndale Rhondda Cynon Taff CF43 4LY	
Accountants and Independent Examiners	Arian Accountants Limited 19 Sundew Close Cardiff CF5 2SE	
Bankers	Barclays Bank plc	

Arts Factory Ltd

Report of the Trustees for the year ended 31 December 2021

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

Objectives

The objects of the charity are to provide or assist in the provision of social welfare facilities for recreation or other leisure time occupation by individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

Activities

The charity operates a Health and Wellbeing Centre at Trerhondda Chapel in the town centre of Ferndale in the upper Rhondda Fach. The centre runs various courses, clubs and groups for beneficiaries as well as a number of social business activities that both generate income and allow us to offer opportunities to people to train and upskill themselves through volunteering. The charity relies on earned income, grants, a service level agreement and donations to cover its operating costs.

The Trustees endeavour to encourage all members of the community to engage in our activities and programmes and this should enable them to change their lives.

Achievements

Achievements and highlights of the year for Arts Factory include:

- We are proud to say that, despite 2021 being another year that was heavily impacted by the Covid pandemic, and where our ability to serve the community was curtailed at times due to the restrictions in place, we were one of the few community facilities that were open as often as the rules allowed, with the appropriate Covid risk assessments in place.
- 2021 also saw the growth of our staff team, with three 3 new members of staff taken on in the roles of Garden Coordinator, Garden Assistant and Warehouse Van Driver.
- Our Fareshare Cupboard Essential Parcels were constantly busy during 2021. During the year we delivered 1125 food parcels which helped to feed 1728 adults and 751 children.
- We had a visit from Mark Drakeford, First Minister of Wales, in April 2021 to look at what we have been doing at Arts Factory during the pandemic.
- Some of our staff and key volunteers were filmed by the BBC for a Hayley Pearce show called Virgin Voter, to show the work we were doing around food poverty and why people should be voting.
- We celebrated Volunteers Week in June and our Health & Wellbeing Coordinator was interviewed live on Rhondda Radio promoting our services.
- We worked in partnership with Aim Academy, Cambrian Village Trust and YEPS to deliver our Summer of Fun School Holiday programme.
- Our Graphic Design service has continued to grow from strength to strength during 2021 and sales exceeded budget figures.
- Factory Books has had a slow year and volunteers were still getting used to being able to mingle and be back at the workplace. Lots of our volunteers needed additional support around their mental health and the after effects of numerous lockdowns.
- Friendly Friday's community Café was launched for people to pop in for a cuppa and a chat, a low cost and fun atmosphere.
- We were successful in gaining funding from the Welsh Government Kickstart initiative which enabled us to employ a Finance Assistant.

Arts Factory Ltd

Report of the Trustees (continued)

- We launched Rhondda Fach Community Garden on 1st July 2021, and it was opened by the local Mayor for Rhondda Cynon Taff. Intergenerational work has commenced with the local primary schools. This project has gone from strength to strength and has involved lots of community activities such as litter picking, garden clearances, open days and partnership working with other groups.
- Active Inclusion new funding commenced on 1st November 2021 and will see the project continue until September 2022. There was a waiting list of participants for this new project.
- Barod are now offering a weekly drop-in service at Trerhondda.
- We were awarded the “Mayor of Rhondda Cynon Taff Community Award 2021” for our work in the community.
- We celebrated Welsh Charities Week with the limelight being shone on our volunteer team.
- We delivered Christmas Hampers to local primary schools for the families that were in need.
- We were fortunate to have funding to run a coach trip for staff, volunteers, and group members to the New Theatre in Cardiff to see the panto Aladdin.

Financial review

Members of the management committee meet quarterly to review the financial position of the charity. As a result of this information they are confident in realistically reviewing and adjusting budgets. During the year funding continued to be received for the charity's main activities. We were fortunate to obtain funding from a large number of funders such as Pen y Cymoedd Windfarm with £14,647, Natural Resources Wales with £21,750 and various Interlink grants totalling £19,758. The Wales Council for Voluntary Action continued their support with a grant of £24,304.

It is the policy of the charity that the unrestricted reserves (excluding any designated funds) should be at least £75,000. At this level the trustees consider that they would be able to accommodate any fundamental funding changes. As at the balance sheet date the charity has met this objective as total unrestricted general reserves were £102,104.

Structure, governance and management

The charity is constituted as a company limited by guarantee and is also a registered charity. The directors serve also as the trustees of the charity. Reference and administrative details are shown in the company information page. The directors have the power to appoint additional trustees.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Arts Factory Ltd for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

Arts Factory Ltd

Report of the Trustees (continued)

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

- there is no relevant information of which the charity's Independent Examiner is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the Independent Examiner is aware of that information.

Approval by order of the board of trustees

MH Bryan

Director

Independent Examiner's Report to the Trustees of Arts Factory Ltd ("the Company")

I report to the charity trustees on my examination of the accounts of Arts Factory Ltd for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also it's directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for Accounting and Reporting by Charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

Andrea L Davies ACA

9 May 2022

Chartered Accountant

Arian Accountants Limited

19 Sundew Close

Cardiff

CF5 2SE

Arts Factory Ltd

**Statement of Financial Activities (incorporating the income and expenditure account)
for the year ended 31 December 2021**

	<u>Note</u>	Restricted Funds	Unrestricted Funds	2021 Total	2020 Total
		£	£	£	£
Income					
Donations and legacies	3	-	13,592	13,592	1,670
<i>Income from charitable activities:</i>					
Arts Factory operations	4	227,075	245,444	472,519	456,133
Investment income		-	10	10	33
Total income		<u>227,075</u>	<u>259,046</u>	<u>486,121</u>	<u>457,836</u>
Expenditure					
<i>Expenditure on charitable activities:</i>					
Arts Factory operations	5	228,336	181,534	409,870	340,847
Total expenditure		<u>228,336</u>	<u>181,534</u>	<u>409,870</u>	<u>340,847</u>
Net income and net movement in funds for the year		(1,261)	77,512	76,251	116,989
Reconciliation of funds					
Total funds brought forward		31,639	281,488	313,127	196,138
Transfer between funds		4,880	(4,880)	-	-
Total funds carried forward		<u>35,258</u>	<u>354,120</u>	<u>389,378</u>	<u>313,127</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All income and expenditure derive from continuing activities.

The notes on pages 8 to 12 form part of these financial statements

Arts Factory Ltd

**Balance Sheet
As at 31 December 2021**

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	8		253,766		258,677
Current assets					
Debtors	9		53,292		68,012
Cash at Bank and in hand			<u>163,893</u>		<u>127,661</u>
			217,185		195,673
Current Liabilities					
Creditors: Amounts falling due within one year	10		<u>(33,491)</u>		<u>(77,790)</u>
Net current (liabilities)/assets			183,694		117,883
Total assets less current liabilities			<u>437,460</u>		<u>376,560</u>
Creditors: Amounts falling due after more than one year	11		<u>(46,332)</u>		<u>(54,933)</u>
Net assets			<u><u>391,128</u></u>		<u><u>321,627</u></u>
		£	£	£	£
The funds of the charity:					
Unrestricted income funds					
Designated fund	12		252,016		-
General income fund			<u>102,104</u>		<u>281,488</u>
			354,120		281,488
Restricted income funds	13		35,258		31,639
Capital grants funds	14		1,750		8,500
Total charity funds			<u><u>391,128</u></u>		<u><u>321,627</u></u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s.477 of the Companies Act 2006. Members have not required the company, under s.476 of the Companies Act 2006, to obtain an audit for the year ended 31 December 2021.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 & 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of the affairs of the company as at 31 December 2021 and of its surplus or deficit for the year then ended in accordance with the requirements of ss.394 & 395 and which otherwise comply with the requirements of the Act, relating to the financial statements, so far as applicable to the company.

These financial statements, which have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies were approved by the Trustees on 9 May 2022 and signed on its behalf.

MH Bryan

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M Bryan

Director

The notes on pages 8 to 12 form part of these financial statements

Arts Factory Ltd

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Arts Factory Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Income

(i) donations and similar income

Donations and similar income is recognised when received.

(ii) revenue grants

Revenue grants are generally recognised in the period in which they are received.

(iii) capital grants

Capital grants are recognised as the corresponding expense is incurred.

(iv) other income

All other income is recognised in the period to which it relates.

Expenditure and irrecoverable VAT

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

Tangible fixed assets

Fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation is provided in order to write off the cost of fixed assets over their estimated useful lives in equal annual instalments, as follows :

Motor Vehicles	25% on cost
Computer equipment	25% on cost
Tools and equipment	25% on cost

Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the statement of financial activities when due.

Arts Factory Ltd

Notes to the financial statements (continued)
for the year ended 31 December 2021

1 Accounting policies cont'd

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

2 Legal status

The Arts Factory is a company limited by guarantee and has no share capital.

3 Donations and legacies

	Restricted £	Unrestricted £	2021 £	2020 £
Donations	-	13,592	13,592	1,670
	<u>-</u>	<u>13,592</u>	<u>13,592</u>	<u>1,670</u>

4 Income from charitable activities

	Restricted £	Unrestricted £	2021 £	2020 £
<i>Sales income</i>				
Graphic design	-	199,119	199,119	142,626
Room rental	-	9,134	9,134	6,217
Book Factory	-	16,689	16,689	19,124
Other sundry income	-	329	329	78
	<u>-</u>	<u>225,271</u>	<u>225,271</u>	<u>168,045</u>

Support from sponsors and local authorities:

Social Services Learning Disability SLA	49,929	-	49,929	58,004
ICF renovation grant	54,792	-	54,792	-
Capital grant release *	6,750	-	6,750	6,750
Pen y Cymoedd revenue grant	14,647	-	14,647	26,555
WCVA Active Inclusion	24,304	-	24,304	41,604
RCT Coronavirus grants	-	18,750	18,750	2,935
Waterloo Foundation	10,000	-	10,000	28,927
Other grants received	66,653	1,423	68,076	123,313

* see note 14

	<u>227,075</u>	<u>245,444</u>	<u>472,519</u>	<u>456,133</u>
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5 Analysis of expenditure on charitable activities

	Restricted £	Unrestricted £	2021 £	2020 £
<i>On charitable activities:</i>				
Purchases and other direct costs	112,066	80,990	193,056	161,379
Employee costs	105,700	58,611	164,311	133,876
Premises costs	-	19,910	19,910	19,511
General office expenses	10,570	17,548	28,118	20,843
Interest paid	-	1,981	1,981	2,988
	<u>228,336</u>	<u>179,040</u>	<u>407,376</u>	<u>338,597</u>

On governance costs:

Accountancy fees	-	1,950	1,950	2,250
Other professional costs	-	544	544	-
	<u>228,336</u>	<u>181,534</u>	<u>409,870</u>	<u>340,847</u>

Arts Factory Ltd

**Notes to the financial statements (continued)
for the year ended 31 December 2021**

6 Net income for the year

The net income for the year is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets: owned by the charity	7,478	7,485
Accountancy fees	<u>1,950</u>	<u>2,250</u>

7 Staffing and trustee remuneration

	2021	2020
	£	£
<i>Staff costs</i>		
Wages and salaries	146,970	125,817
Social Security costs	6,976	2,965
Pension costs	<u>6,670</u>	<u>4,191</u>
	<u>160,616</u>	<u>132,973</u>

During the year the average number of employees was 11 (2020: 9). No employee received employee benefits in excess of £60,000 (2020: Nil).

No remuneration was paid to any trustees during the year nor any expenses reimbursed (2020: £Nil).

8 Tangible fixed assets

	Land & buildings	Tools & equipment	Motor vehicles	Computer equipment	Total
	£	£	£	£	£
COST					
As at 1 January 2021	371,153	-	7,350	105,819	484,322
Additions	-	2,567	-	-	2,567
Disposals	-	-	-	-	-
At 31 December 2021	<u>371,153</u>	<u>2,567</u>	<u>7,350</u>	<u>105,819</u>	<u>486,889</u>
DEPRECIATION					
As at 1 January 2021	121,153	-	3,676	100,816	225,645
Charge for period	-	641	1,837	5,000	7,478
On Disposals	-	-	-	-	-
At 31 December 2021	<u>121,153</u>	<u>641</u>	<u>5,513</u>	<u>105,816</u>	<u>233,123</u>
NET BOOK VALUE					
At 31 December 2021	<u>250,000</u>	<u>1,926</u>	<u>1,837</u>	<u>3</u>	<u>253,766</u>
At 31 December 2020	<u>250,000</u>	<u>-</u>	<u>3,674</u>	<u>5,003</u>	<u>258,677</u>

Arts Factory Ltd

**Notes to the financial statements (continued)
for the year ended 31 December 2021**

9 Debtors

	2021	2020
	£	£
Grants receivable	18,466	44,305
Trade debtors	34,826	9,698
Other debtors and prepayments	-	14,009
	<u>53,292</u>	<u>68,012</u>

10 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	7,600	6,600
Trade creditors	8,716	52,356
Taxes and social security	9,621	4,157
Other creditors	1,304	1,470
Accruals	6,250	13,207
	<u>33,491</u>	<u>77,790</u>

11 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	46,332	54,933
Other creditors	-	-
	<u>46,332</u>	<u>54,933</u>

12 Designated funds

	Balance at beginning of year £	New designations £	Utilised/ released £	Transfer t/f capital grant funds £	Balance at end of year £
Tangible Fixed Assets fund	<u>-</u>	<u>252,744</u>	<u>(7,478)</u>	<u>6,750</u>	<u>252,016</u>

The tangible fixed assets fund represents the net book value of the charity's unrestricted tangible fixed assets. The fund has been created to recognise the fact that the tangible fixed assets are required for the day to day operations of the charity and are not available for other purposes or for general reserves.

Arts Factory Ltd

Notes to the financial statements (continued)
for the year ended 31 December 2021

13 Restricted income funds

	Balance at beginning of year £	Income in year £	Expenditure in year £	Transfer t/f unrestricted funds £	Balance at end of year £
Social Services Learning Disability SLA	-	49,929	49,929	-	-
Active Inclusion Grant	-	24,304	28,101	3,797	-
Arnold Clark Community fund	-	1,000	1,014	14	-
CFW Resilience Fund	1,839	-	1,839	-	-
Community Capacity Grant: Dementia	1,602	-	1,602	-	-
ICF Reminiscence Fund	3,389	-	3,431	42	-
ICF renovation grant	-	54,792	54,792	-	-
ICF Dementia Grant 2020-21	-	4,878	5,660	782	-
ICF Dementia Grant Recovery & reconnect	-	6,025	1,878	-	4,147
Interlink Big Lunch Grant	-	250	378	128	-
Interlink Sydney Albert Fund	-	1,680	1,104	-	576
Interlink WG Volunteer Resilience Grant	-	8,300	6,816	-	1,484
Interlink Youth Grant	-	343	343	-	-
Interlink Kindness Grant	-	1,500	-	-	1,500
Interlink Winter Pressures Grant	-	7,685	-	-	7,685
Kickstart Grant	-	2,511	1,011	-	1,500
Millenium Stadium Grant fund	1,365	-	1,385	20	-
Moondance Foundation	9,670	-	9,670	-	-
NRW Rhondda Fach Garden Project	(4,485)	21,750	17,265	-	-
Pen y Cymoedd Windfarm Revenue Grant	-	14,647	14,647	-	-
Peoples First Grant	9,800	-	-	-	9,800
RCT Adult Changing Room Fund	-	4,000	4,000	-	-
RCT Foodshare Fund	500	-	500.00	-	-
RCT Parent & Toddler Grant	-	993	997	4	-
RCT Summer of Fun Grant	-	3,900	3,258	-	642
RCT Age Cymru Grant	-	500	592	92	-
RCT Youth grant	-	1,338	1,339	1	-
Waterloo Foundation	7,959	10,000	10,035	-	7,924
Capital Grant Release	-	6,750	6,750	-	-
Total funds	31,639	227,075	228,336	4,880	35,258

14 Capital grants funds

	Pen y Cymoedd £	Coalfields £	Total £
Balance at 1 January 2021	5,000	3,500	8,500
Income for the year	-	-	-
Expenditure for the year : release to income	(5,000)	(1,750)	(6,750)
Balance at 31 December 2021	-	1,750	1,750

15 Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Unrestricted funds				
Designated funds	252,016	-	-	252,016
General income fund	-	148,436	(46,332)	102,104
Restricted income funds	-	35,258	-	35,258
Restricted capital grant funds	1,750	-	-	1,750
Total funds	253,766	183,694	(46,332)	391,128