

**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**

<b>Directors and Trustees</b>	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
<b>Charity Number</b>	1178430	
<b>Company Number</b>	2491685	
<b>Registered Office</b>	Trerhondda The Strand Ferndale Rhondda Cynon Taff CF43 4LY	
<b>Accountants and Independent Examiners</b>	Arian Accountants Limited 19 Sundew Close Cardiff CF5 2SE	
<b>Bankers</b>	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**

##### *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 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>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>31 March 2024 Total</b>	<b>31 December 2022 Total</b>
		£	£	£	£
<b>Income</b>					
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
<b>Total income</b>		<u>656,959</u>	<u>353,177</u>	<u>1,010,136</u>	<u>491,150</u>
<b>Expenditure</b>					
<i>Expenditure on charitable activities:</i>					
Arts Factory operations	5	638,528	325,499	964,027	466,892
<b>Total expenditure</b>		<u>638,528</u>	<u>325,499</u>	<u>964,027</u>	<u>466,892</u>
<b>Net income and net movement in funds for the year</b>		18,431	27,678	46,109	24,258
<b>Reconciliation of funds</b>					
Total funds brought forward		75,686	337,950	413,636	389,378
Transfer between funds		499	(499)	-	-
<b>Total funds carried forward</b>		<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
		£	£
<b>Fixed assets</b>			
Tangible assets	8	280,466	253,740
<b>Current assets</b>			
Debtors	9	32,209	22,244
Cash at Bank and in hand		201,909	230,201
		<u>234,118</u>	<u>252,445</u>
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	10	<u>(22,931)</u>	<u>(53,037)</u>
<b>Net current (liabilities)/assets</b>		211,187	199,408
<b>Total assets less current liabilities</b>		<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>
<b>Net assets</b>		<u><u>459,745</u></u>	<u><u>413,636</u></u>
		£	£
<b>The funds of the charity:</b>			
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
<b>Total charity funds</b>		<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	1,493
	<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
	£	£	£	£	£
<b>COST</b>					
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>
<b>DEPRECIATION</b>					
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>
<b>NET BOOK VALUE</b>					
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
<b>Total funds</b>	<b>75,686</b>	<b>656,959</b>	<b>638,528</b>	<b>499</b>	<b>94,616</b>

**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
<b>Total funds</b>	<b>280,466</b>	<b>211,187</b>	<b>(31,908)</b>	<b>459,745</b>