



**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

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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	Trerhondda 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.

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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

4 August 2025

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 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><u>393,754</u></u>	<u><u>459,745</u></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><u>393,754</u></u>	<u><u>459,745</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 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.

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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>

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**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>278,550</u>	<u>1,155</u>	<u>-</u>	<u>614</u>	<u>280,319</u>
At 31 March 2024	<u>278,550</u>	<u>484</u>	<u>-</u>	<u>1,432</u>	<u>280,466</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
	<u>14,975</u>	<u>32,209</u>

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
	<u>24,625</u>	<u>22,931</u>

11 Creditors: amounts falling due after more than one year

	2025 £	2024 £
Bank loans	22,538	31,908
Other creditors	-	-
	<u>22,538</u>	<u>31,908</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>280,466</u>	<u>1,750</u>	<u>(1,897)</u>	<u>-</u>	<u>280,319</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 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	94,616	197,187	248,802	124	43,125

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	280,319	135,973	(22,538)	393,754