

Registered number: 13754450
Charity number: 1198590

Margate Creative Land Trust
(A company limited by guarantee)

Trustees' report and financial statements

For the period ended 31 March 2023

Margate Creative Land Trust
(A company limited by guarantee)

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Margate Creative Land Trust
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers
For the period ended 31 March 2023

| | |
|----------------------------------|--|
| Trustees | D E H Chilcott, Trustee (appointed 13 July 2022) N H Cooper-Davis, Trustee (appointed 13 July 2022) C P Crook, Trustee (appointed 13 July 2022) K Dunne, Trustee (appointed 19 November 2021, resigned 30 June 2023) P Hirst, Trustee (appointed 13 July 2022) S Kohli, Trustee (appointed 19 November 2021) L J Middlehurst, Trustee (appointed 13 July 2022) S Patel, Trustee (appointed 19 November 2021, resigned 30 June 2023) L P Ahlquist, Trustee (appointed 13 July 2022, resigned 2 February 2023) |
| Company registered number | 13754450 |
| Charity registered number | 1198590 |
| Registered office | Kent Innovation Centre Margate Creative Land Trust, Thanet Reach Business Park, Millennium Way Broadstairs Kent CT10 2QQ |
| Company secretary | L P Ahlquist (Appointed on July 13 2022, resigned 2 February 2023) A Russell (Appointed 13 July 2023) |
| Independent auditors | Kreston Reeves LLP Chartered Accountants Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU |
| Bankers | Unity Trust Bank plc PO Box 7193 Planetary Road Willenhall West Midlands WV1 9DG |
| Management | Jan King (Interim Director) (January - July 2023) Gatenby Sanderson - Nicky Josling (Interim Director) (September 2022- January 2023) |

Margate Creative Land Trust
(A company limited by guarantee)

Trustees' report
For the period ended 31 March 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the period 19 November 2021 to 31 March 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

- To protect, sustain and grow Margate's creative sector through improved security and sustainability, and by increasing the quantity of places for creative practice in the town.
- To support the inclusive regeneration and economic growth of Margate and the district of Thanet.
- To support the creation of new jobs and training opportunities within Margate's creative enterprises, and to address barriers to entry for Thanet's diverse communities.
- To celebrate Margate's creatives and the achievements of the sector and, to support its growth and establishment as a regional creative hub.
- To add value to existing market activity and to avoid displacement or crowding out of initiatives by others.
- To support moves towards a zero carbon and environmentally sustainable economy through our investment decisions and operations.
- To be a fair employer and promote equality, diversity and inclusion in all that we do.
- To be evidence based in our investment decisions to meet the specific needs of Margate's creative community.
- To be timely in our decision making and delivery.
- To lead to enable the realisation of our vision.
- To work in partnership and collaboration with others to achieve our mission.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity(PB2)'

Achievements and performance

a. Achievements and performance

We were established as a new charity in 2022, to ensure Margate's creative communities are protected, sustained, and continue to develop and thrive. This followed discussions between Thanet District Council and local communities regarding the priorities for the Margate Town Deal Programme. These conversations recognised the richness that creatives have brought to the town and the importance of supporting and growing the creative economy. The Trust was established to address one of the key challenges that Margate creatives face as land and property prices rise. In common with other places that have benefitted from the role of artists, craftspeople and other creative practitioners, price rises have led to many being unable to afford appropriate workspace or having to make do with insecure or unsuitable spaces.

Margate Creative Land Trust

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Achievements and performance (continued)

While the town has enabled many of its community to make a go of being an artist or other creative, too many in the town, young and old, also don't see this as a possibility for them. Alongside addressing the availability, affordability, safety and security of workspaces, we are determined to open opportunities for local people in the creative sector. We are working with Margate communities to enable those with creative ambitions to nurture them and make a living from it. And if they wish, we want them to be able to pursue their ambitions within Margate and not have to move away. Arts and crafts should be accessible to anyone with the talents and determination to make a go of it, we see our role as supporting this to become a reality.

As a new charity, a new Board of Trustees were appointed following an open recruitment process. The Board has a balance of the necessary skills, experience, and expertise to deliver against its mission. We are committed to delivering positive impact in the town.

In July 2022, shortly following its appointment, the Board jointly developed the vision, mission, aims and values for the Trust:

OUR VISION

A thriving, resilient and innovative creative sector that provides inclusive enterprise, employment and learning opportunities for people living and working in Margate and the surrounding areas.

OUR MISSION

To establish a variety of accessible and inspiring creative spaces that provides benefit to the community, creative sector and local economy in perpetuity.

OUR AIMS

- To protect, sustain and grow Margate's creative sector through improved security and sustainability, and by increasing the quantity of places for creative practice in the town.
- To support the inclusive regeneration and economic growth of Margate and the district of Thanet
- To support the creation of new jobs and training opportunities within Margate's creative enterprises, and to address barriers to entry for Thanet's diverse communities.
- To celebrate Margate's creatives and the achievements of the sector and, to support its growth and establishment as a regional creative hub.
- To add value to existing market activity and to avoid displacement or crowding out of initiatives by others.
- To support moves towards a zero carbon and environmentally sustainable economy through our investment decisions and operations
- To be a fair employer and promote equality, diversity and inclusion in all that we do.
- To be evidence based in our investment decisions to meet the specific needs of Margate's creative community.
- To be timely in our decision making and delivery
- To lead to enable the realisation of our vision.
- To work in partnership and collaboration with others to achieve our mission.

OUR VALUES

Open & inclusive: We are friendly, approachable, accessible and seek to work collaboratively and in partnership. We will design ways to ensure we meaningfully and regularly engage with the communities we serve.

Innovative: We know we have to play the long game to have a lasting impact, but we are not afraid to test or pilot radical ideas in the short term. We are ambitious and we will disrupt the status quo to ensure more underrepresented groups benefit from creative sector opportunities.

Sustainable: We are a commercially sound, environmentally and socially responsible organisation and we champion this within the sector.

Margate Creative Land Trust

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Achievements and performance (continued)

The Trust has entered into a Grant Agreement for £6.65M with Thanet District Council as part of the Margate Town Deal programme. This funding ultimately comes from the UK Government's Department for Leveling Up, Housing and Communities Dept leveling up funding. We intend that the funds are used to meet some of the most pressing needs whilst also ensuring that our work is sustained for the longer term. To that end we have spent time in the last year developing an investment strategy to ensure that we have a robust and transparent approach to decision making in relation to the land and/or property investments we will make. We have also been keen to develop a better understanding of the needs of Margate's creative sector. Building on research already undertaken prior to the establishment of the Trust, we commissioned a research project conducted by Dr Andrew Jackson which engaged over 200 local creatives. This project will enable us to make informed decisions about where and how to invest, and to track our impact.

Much of the last year has been about establishing the building blocks for the new charity to deliver against its mission. These activities have ranged from registering with the Charities Commission, opening a bank account, establishing robust financial policies and procedures, to developing HR policies and establishing payroll and pension provision. Importantly, we have also been recruiting our team ensuring that we have the right people in post to take forward our acquisition, development and/or refurbishment activities, as well as providing wider support to the sector and local communities. We have spent time building relationships with local creatives and the local community facilitated by our community-based trustees and our first employee, Eileen Hartney, Community Engagement and Communications Manager. This has emphasised to us the richness that Margate communities can bring to our work and underlined how we will always make time to listen and engage. We have developed a good following on social media which has added to the awareness of who we are in the town and allowed us to communicate our activities to a wide audience.

We have also recently appointed our first Executive Director, Annette Russell, who comes to us with an excellent background in creative property development. She has supported the recruitment of the rest of the small team who will take our work forward.

We are grateful for the support of Thanet District Council, the Margate Town Deal programme and Board, and the creatives of Margate in helping us to get set up and established as a new charity over the last year. We would also like to thank WorkWild and PRD for their early work in establishing the Trust as a charity, and in supporting the new Board in developing its policies, procedures, and decision-making framework.

b. Equality, diversity and inclusion

We are intent that we make a positive contribution to equality, diversity and inclusion and anti-racism. We recognise that we have much to learn in this space while also being determined to take a lead where we can. Over the next year we will further develop our EDI policy and plans to ensure that EDI is at the heart of how we spend our funds, purchase property and deliver our services. Our board and staff team will undertake training in EDI and develop approaches to ensure those who are underrepresented are included. We will monitor our work in this area and report on our progress and plans.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Margate Creative Land Trust

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Financial review (continued)

b. Financial review

The Trust is in the fortunate position of having both capital and revenue funds through the Margate Town Deal Programme to purchase property and land and to employ a Community Engagement and Communication Manager to support the sector. These funds will enable us to make our first land or property investment/s to address the immediate challenges some within the sector face with the lack of available, affordable or suitable workspace. We recognise that we will need to attract additional funds to more fully meet the identified needs of the sector in due course, and plan to recruit a Development Manager to lead on this fundraising activity in 2024-25.

As a Land Trust, we will need to generate sufficient income from the rental of our spaces to enable us to remain financially sustainable over the medium to long term and to deliver our mission. At the appropriate time in our development, we will seek to secure further investment in additional properties to support the sector to grow.

Over the next year we will consider the benefits of setting up a trading arm to support our work, and to provide different ways to secure additional funds.

c. Plans for future periods

Our immediate plans are to secure new property or land that will be developed into space for a range of creative practices to use. We are mindful that our intervention in the town needs to complement existing provision and enable those who would otherwise struggle to find creative space to access it. We are keen to move with speed as such provision is desperately needed but will ensure that any property and land development aligns with our mission, aims and values.

We will build on the work we have done to create strong relationships with creatives in Margate by supporting them to preserve, sustain and develop creative space and their creative businesses. Taking guidance from previous external research and our recent survey we will develop a support offer to the creative sector which will include education, training, and guidance.

In partnership with creatives, education providers, local community groups and others we will develop an offer to the wider community of Margate that builds their creative capacity, with the aim of breaking down barriers to local people developing their own creative practice. We are determined that a career in the creative sector should be open to anyone and that nobody should be excluded because of their background.

We are developing the capacity of the Trust by recruiting a small team to support the Executive Director. We intend that the full team will be in post by October 23. We are also recruiting new trustees to replace gaps left by those on the set-up board who have moved on and to complement the skills we have on the board.

Ultimately, we want to see Margate continue to be a great place to live and work, where creativity flourishes and the local community has a strong stake in and support for the role creativity plays in the town.

Margate Creative Land Trust**(A company limited by guarantee)****Financial review (continued)****d. Principal risks and uncertainties**

| Risk/uncertainty | Mitigation |
|---|--|
| There is a lack of availability of suitable and affordable land and property in our area of operation. | <ul style="list-style-type: none">· We have engaged agents and others to identify all property as it becomes available.· We can consider property and land that may be less commercially viable for other developers, but to which we can add value. |
| Being able to deliver our property targets in the required timeframe. Our current grant is to be spent by March 2026 and we have a delay in accessing funds as the drawdown of these funds must be approved by Thanet District Council. | <ul style="list-style-type: none">· We have established a robust decision-making framework where delivery time is a key criterion.· Our agreement with Thanet District Council ensures that funds will be released speedily to purchase land/property. If this cannot be fulfilled this will create further risk. |
| Within a small team having the optimum mix of skills and experience to deliver against our mission, regulation and policy. | <ul style="list-style-type: none">· We have designed our team to ensure a wide range of skills and experience.· We have a robust recruitment process that takes account of the team skill and experience mix.· Where we have a requirement for specialist skills or additional capacity, we have allocated funds for this. |
| We are unable to attract further funding to ensure organisational sustainability. | <ul style="list-style-type: none">· Our investment framework factors in organisational sustainability so that our decisions on property/land purchases will take this into account.· We intend to recruit further fundraising development resource from 2024. |
| The development of the wider creative sector doesn't add sufficient improved capacity and capability. | <ul style="list-style-type: none">· Our creative sector spaces survey has identified support needs that our outreach and education programme will address.· Our outreach programme will provide ongoing dialogue with the sector that will inform our support offer and development. |

Structure, governance and management**a. Constitution**

Margate Creative Land Trust is a company limited by guarantee as defined by the Companies Act 2006. It was constituted as a company on 19 November 2021 and is governed by a Memorandum and Articles of Association.

b. Methods of appointment or election of Trustees

Trustees are appointed and retire in accordance with the requirements of the Articles of Association. In selecting new individuals for appointment as Charity trustees, the Charity will have regard to skills, knowledge and experience needed for an effective administration of the Charity.

Margate Creative Land Trust

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Plans for future periods

Our immediate plans are to secure new property or land that will be developed into space for a range of creative practices to use. We are mindful that our intervention in the town needs to complement existing provision and enable those who would otherwise struggle to find creative space to access it. We are keen to move with speed as such provision is desperately needed but will ensure that any property and land development aligns with our mission, aims and values.

We will build on the work we have done to create strong relationships with creatives in Margate by supporting them to preserve, sustain and develop creative space and their creative businesses. Taking guidance from previous external research and our recent survey we will develop a support offer to the creative sector which will include education, training, guidance and facilitating their voice.

In partnership with creatives, education providers, local community groups and others we will develop an offer to the wider community of Margate that builds their creative capacity, with the aim of breaking down barriers to local people developing their own creative practice. We are determined that a career in the creative sector should be open to anyone and that nobody should be excluded because of their background.

We are developing the capacity of the Trust by recruiting a small team to support the Executive Director. We intend that the full team will be in post by October 23. We are also recruiting new trustees to replace gaps left by those on the set-up board who have moved on and to complement the skills we have on the board.

Ultimately, we want to see Margate continue to be a great place to live and work, where creativity flourishes and the community has a strong stake in and support for the role creativity plays in the town.

Members' liability

The Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Paula Hirst

(Chair of Trustees)

Date: 13 July 2023

Margate Creative Land Trust

(A company limited by guarantee)

Statement of Trustees' responsibilities

For the period ended 31 March 2023

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:

Paula Hirst

(Chair of Trustees)

Date: 13 July 2023

Independent auditors' report to the Members of Margate Creative Land Trust

Opinion

We have audited the financial statements of Margate Creative Land Trust (the 'charity') for the period ended 31 March 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the Members of Margate Creative Land Trust (continued)

Other Information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of Margate Creative Land Trust (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety and fundraising practices) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Independent auditors' report to the Members of Margate Creative Land Trust (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

13 July 2023

Margate Creative Land Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the period ended 31 March 2023

| | | Restricted funds | Unrestricted funds | Total funds |
|------------------------------------|-------------|-------------------------|---------------------------|---------------------|
| | | Period ended | Period ended | Period ended |
| | | 31 March | 31 March | 31 March |
| | | 2023 | 2023 | 2023 |
| | Note | £ | £ | £ |
| Income from: | | | | |
| Donations and legacies | 3 | 6,650,362 | 500 | 6,650,862 |
| | | | | |
| Total Income | | 6,650,362 | 500 | 6,650,862 |
| Expenditure on: | | | | |
| Charitable activities | 4 | 87,752 | - | 87,752 |
| | | | | |
| Total expenditure | | 87,752 | - | 87,752 |
| | | | | |
| Net movement in funds | | 6,562,610 | 500 | 6,563,110 |
| Reconciliation of funds: | | | | |
| Net movement in funds | | 6,562,610 | 500 | 6,563,110 |
| | | | | |
| Total funds carried forward | | 6,562,610 | 500 | 6,563,110 |

The Statement of financial activities includes all gains and losses recognised in the period.

The notes on pages 16 to 23 form part of these financial statements.

Margate Creative Land Trust
(A company limited by guarantee)
Registered number: 13754450

Balance sheet
As at 31 March 2023

| | Note | 2023 £ |
|--|-------------|-------------------|
| Fixed assets | | |
| Tangible assets | | - |
| | | <hr/> |
| | | - |
| Current assets | | |
| Debtors | 8 | 6,501,429 |
| Cash at bank and in hand | | 90,737 |
| | | <hr/> |
| | | 6,592,166 |
| Creditors: amounts falling due within one year | 9 | (29,056) |
| | | <hr/> |
| Net current assets | | 6,563,110 |
| | | <hr/> |
| Total assets less current liabilities | | 6,563,110 |
| | | <hr/> |
| Net assets excluding pension asset | | 6,563,110 |
| | | <hr/> |
| Total net assets | | <u>6,563,110</u> |
| Charity funds | | |
| Restricted funds | 10 | 6,562,610 |
| Unrestricted funds | 10 | 500 |
| | | <hr/> |
| Total funds | | <u>6,563,110</u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 13 July 2023 and signed on their behalf by:

Paula Hirst
 (Chair of Trustees)

The notes on pages 16 to 23 form part of these financial statements.

Margate Creative Land Trust
(A company limited by guarantee)

Statement of cash flows
For the period ended 31 March 2023

| | Period ended 31 March 2023 £ |
|---|---|
| Cash flows from operating activities | |
| Net cash used in operating activities | 90,737 |
| | <hr/> |
| Cash flows from investing activities | |
| | - |
| | <hr/> |
| Net cash provided by investing activities | - |
| | <hr/> |
| Cash flows from financing activities | |
| | - |
| | <hr/> |
| Net cash provided by financing activities | - |
| | <hr/> |
| Change in cash and cash equivalents in the period | 90,737 |
| | <hr/> |
| Cash and cash equivalents at the end of the period | 90,737 |
| | <hr/> |

The notes on pages 16 to 23 form part of these financial statements

Margate Creative Land Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 March 2023

1. General information

Margate Creative Land Trust is a charitable company limited by guarantee, incorporated on 26 May 2021, registered in England and Wales with the company number 1375450 and the charity number 1198590. The registered office of the charitable company is Kent Innovation Centre Margate Creative Land Trust, Thanet Reach Business Park, Millennium Way, Broadstairs, England, CT10 2QQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Margate Creative Land Trust 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.

The charity's functional and presentational currency is in Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

2.2 Going concern

The charity has an in year surplus due to the recognition of grants.

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Notes to the financial statements
For the period ended 31 March 2023

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

Notes to the financial statements
For the period ended 31 March 2023

2. Accounting policies (continued)

2.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Income from donations and legacies

| | Restricted funds Period ended 31 March 2023 £ | Unrestricted funds Period ended 31 March 2023 £ | Total funds Period ended 31 March 2023 £ |
|-----------|--|--|---|
| Donations | - | 500 | 500 |
| Grants | 6,650,362 | - | 6,650,362 |
| | <u>6,650,362</u> | <u>500</u> | <u>6,650,862</u> |

4. Analysis of expenditure by activities

| | Support costs Period ended 31 March 2023 £ | Total funds Period ended 31 March 2023 £ |
|-------------------|---|---|
| Revenue costs | 73,824 | 73,824 |
| Capital costs | 13,928 | 13,928 |
| Total 2023 | <u>87,752</u> | <u>87,752</u> |

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Notes to the financial statements
For the period ended 31 March 2023

4. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Revenue costs | Capital costs | Total funds |
|-----------------------------|----------------------|----------------------|---------------------|
| | Period ended | Period ended | Period ended |
| | 31 March | 31 March | 31 March |
| | 2023 | 2023 | 2023 |
| | £ | £ | £ |
| Staff costs | 969 | - | 969 |
| Advertising & Marketing | 456 | - | 456 |
| Audit & Accountancy fees | 14,496 | - | 14,496 |
| Bank Fees | 59 | - | 59 |
| Consulting | 111 | - | 111 |
| Insurance | 403 | - | 403 |
| Printing & Stationery | 10 | - | 10 |
| IT Software and Consumables | 1,210 | - | 1,210 |
| Rent | 185 | - | 185 |
| Room hire | 318 | - | 318 |
| Website & Brand set-up | 1,675 | - | 1,675 |
| Investment strategy | - | 5,100 | 5,100 |
| Administrative support | 340 | - | 340 |
| Research | 2,000 | - | 2,000 |
| Subscriptions | 269 | - | 269 |
| Expenses inc trustees | 1,216 | - | 1,216 |
| Contractors | 50,107 | 8,828 | 58,935 |
| | <u>73,824</u> | <u>13,928</u> | <u>87,752</u> |

5. Auditors' remuneration

| | Period ended |
|--|---------------------|
| | 31 March |
| | 2023 |
| | £ |
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | <u>8,340</u> |

Margate Creative Land Trust
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Notes to the financial statements
For the period ended 31 March 2023

6. Staff costs

| | Period ended 31 March 2023 £ |
|--------------------|---------------------------------------|
| Wages and salaries | 969 |
| | <hr/> 969 <hr/> |

The average number of persons employed by the Charity during the period was as follows:

| | Period ended 31 March 2023 No. |
|-----------|---|
| Employees | 1 |
| Trustee | 9 |
| | <hr/> 10 <hr/> |

No employee received remuneration amounting to more than £60,000 in either year.

7. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits.

During the period ended 31 March 2023, expenses totalling £613 were reimbursed or paid directly to 3 Trustees for travel and other expenses.

8. Debtors

| | 2023 £ |
|-------------------------------------|-----------------------|
| Due after more than one year | |
| Accrued income | 600,000 |
| | <hr/> 600,000 |
| Due within one year | |
| Accrued income | 5,901,429 |
| | <hr/> 6,501,429 <hr/> |

Margate Creative Land Trust
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Notes to the financial statements
For the period ended 31 March 2023

9. Creditors: Amounts falling due within one year

| | 2023 £ |
|------------------------------------|---------------|
| Trade creditors | 6,012 |
| Other taxation and social security | 194 |
| Accruals and deferred income | 22,850 |
| | <u>29,056</u> |

10. Statement of funds

Statement of funds - current period

| | Income £ | Expenditure £ | Balance at 31 March 2023 £ |
|---------------------------|------------------|------------------|----------------------------------|
| Unrestricted funds | | | |
| General Funds - all funds | <u>500</u> | <u>-</u> | <u>500</u> |
| Restricted funds | | | |
| Capital fund | 5,950,362 | (13,928) | 5,936,434 |
| Revenue fund | 700,000 | (73,824) | 626,176 |
| | <u>6,650,362</u> | <u>(87,752)</u> | <u>6,562,610</u> |
| Total of funds | <u>6,650,862</u> | <u>(87,752)</u> | <u>6,563,110</u> |

Capital and revenue grants are committed under a grant agreement with Thanet District Council and are recognised in these accounts. Drawdown of funds is subject to satisfactory administrative discharge of requirements as set out in the Grant Agreement.

Notes to the financial statements
For the period ended 31 March 2023

11. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Restricted funds 2023 £ | Unrestricted funds 2023 £ | Total funds 2023 £ |
|--------------------------------------|--|--|---------------------------------------|
| Debtors due after more than one year | 600,000 | - | 600,000 |
| Current assets | 5,991,666 | 500 | 5,992,166 |
| Creditors due within one year | (29,056) | - | (29,056) |
| Total | 6,562,610 | 500 | 6,563,110 |

12. Reconciliation of net movement in funds to net cash flow from operating activities

| | Period ended 2023 £ |
|--|------------------------------------|
| | 6,563,110 |
| Net income for the period (as per Statement of Financial Activities) | |
| Adjustments for: | |
| Increase in debtors | (6,501,429) |
| Increase in creditors | 29,056 |
| Net cash provided by operating activities | 90,737 |

13. Analysis of cash and cash equivalents

| | 2023 £ |
|--|-------------------|
| Cash in hand | 90,737 |
| Total cash and cash equivalents | 90,737 |

Margate Creative Land Trust
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Notes to the financial statements
For the period ended 31 March 2023

14. Analysis of changes in net debt

| | Cash flows | At 31 March |
|--------------------------|-------------------|--------------------|
| | £ | 2023 |
| | | £ |
| Cash at bank and in hand | 90,737 | 90,737 |
| | <hr/> | <hr/> |
| | 90,737 | 90,737 |
| | <hr/> | <hr/> |

15. Operating lease commitments

At 31 March 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2023 |
|-----------------------|-------------|
| | £ |
| Not later than 1 year | 111 |
| | <hr/> |

16. Related party transactions

The Charity has not entered into any related party transaction during the period, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2023.

17. Controlling party

The Charity is limited by guarantee and was controlled by the Trustees during the period.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.