

Company registration number: 1727731

Charity registration number: 292138

Creative Kernow Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

Creative Kernow Limited

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Creative Kernow Limited

Reference and Administrative Details

Chief Executive Officer	Fiona Catherine Wotton
Trustees	John Alfred Pulford Simon Paul Harvey (resigned 19 October 2022) Eleanor Jubb (resigned 31 October 2023) Ajay Chhabra Amanda Berry Tamara Bedford Jonathan Mark Bray Hannah Marie Irwin James Sculthorp-Wright Charlotte Emma June Somers (appointed 6 October 2022 and resigned 7 September 2023) Paul Springer (appointed 25 February 2023) Paul Kevin Brookes (appointed 15 May 2023)
Secretary	Fiona Catherine Wotton
Principal & Registered Office	Krowji West Park Redruth Cornwall TR15 3AJ
Other Names of the Charity	Arts Centre Trust, ACT, Creative Skills
Company Registration Number	1727731
Charity Registration Number	292138
Solicitors	Nalders Farley House Falmouth Road Truro TR1 2HX
Bankers	CAF Bank Limited PO Box 289 West Malling Kent M19 47A Lloyds Bank Plc Truro 7 Boscawen Street Truro TR1 2QT
Senior Statutory Auditor	Paula Thomas BA FCA DChA
Auditor	Walker Moyle Ltd 3 Chapel Street Redruth Cornwall TR15 2BY

Creative Kernow Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, are pleased to present their group annual report and the audited financial statements for the year ended 31 March 2023. This report is a combined annual report containing a directors' report as required by company law. The financial statements have been prepared in accordance with the current statutory requirements, the Articles of Association and Statement of Recommended Practice - Accounting and Reporting by Charities (SORP FRS 102).

Reference and Administrative information, set out on Page 1, forms part of this report.

Governance

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £5.

The company is a registered charity, number 292138, with effect from 8 May 1986. The governing documents are the Memorandum and Articles of Association.

The charity trustees during the year, appointed since the year end and at the date of this report are:

Trustees

John Alfred Pulford

Simon Paul Harvey (resigned 19 October 2022)

Eleanor Jubb (resigned 31 October 2023)

Ajay Chhabra

Amanda Berry

Tamara Bedford

Jonathan Mark Bray

Hannah Marie Irwin

James Sculthorp-Wright

Charlotte Emma June Somers (appointed 6 October 2022 and resigned 7 September 2023)

Paul Springer (appointed 25 February 2023)

Paul Kevin Brookes (appointed 15 May 2023)

All directors of the company are also trustees of the charity and there are no other trustees. The Board has the power to appoint additional trustees as it considers fit to do so. Although no specific training is required for new trustees, they are made aware of the useful guidance offered by the Charity Commission and others. Policy decisions are made by the Board at regular meetings.

Organisational Structure

During 2022/23 Creative Kernow Limited had three wholly-owned subsidiary companies which gift-aid the majority of any profits to the charity each year. Their activities during the year are covered as part of the report below.

Krowji Ltd is a company limited by shares, number 05420248, and wholly owned by Creative Kernow. It has a board of directors - Greg Oldrieve (Chair), Jonathan Bray, Anna Brown, Matthew Brown and Katy Tregidden. It was established in 2005 and its main role is to operate the creative workspace cluster at Krowji in Redruth - the freehold of the property is held by Creative Kernow and Krowji Limited has a long leasehold interest.

Cornwall Arts Marketing Ltd is a company limited by shares, number 04346555, and wholly owned by Creative Kernow. It has a board of directors - John Pulford (Chair). It was established to run our major ERDF-supported cultural tourism programme from 2002 onwards; this was wound down some years ago and its main role for the moment is to operate the annual Open Studios event and the Cornwall 365 What's On listings service and printed guide.

Creative Kernow Limited

Trustees' Report

Screen Cornwall Ltd is a company limited by shares, number 11881973, and wholly owned by Creative Kernow. It has a board of directors - Phillippa Giles (Chair), Simon Harvey, Mandy Berry, Amanda Pyne, Francesca Gilpin and Alex Smith. It has been set up to drive the development of the screen industries in Cornwall and the Isles of Scilly, working with incoming film & TV productions, businesses, and individual freelancers to build a strong and thriving production sector.

All three subsidiary companies were established in order to carry on activities which are directly in pursuit of Creative Kernow's charitable objects and so could legitimately be carried on by the charity itself, but which the trustees judged to be more prudently carried on in a subsidiary company for reasons of financial efficiency and to reduce the risk to the charity's core assets.

Objectives and activities

The objectives of the charity are to provide exhibitions of the arts of dance and drama, to provide training in the arts and arts management and to further the public appreciation of the aforesaid.

Public benefit statement

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Summary

This group report covers the financial year from April 2022 to March 2023. It reviews our objectives, activities, and governance; our achievements and financial performance during the year; our work with other agencies and organisations; and our future plans for the organisation and its subsidiary companies.

Creative Kernow is the cultural and creative sector support organisation for Cornwall and the Isles of Scilly. We are a charity with a mission to enrich and energise creative communities of place and practice through the production, distribution and promotion of artistic work, networks, and knowledge.

Our core programmes deliver activity in three dynamically interdependent areas:

Creative Communities

- **FEAST** - Investing in projects that support co-creation between artists and communities in Cornwall
- **Carn to Cove and C Fylm** - touring the performing arts and cinema across Cornwall's and Devon's smaller communities
- **Arts Lab** - an outreach programme offering creative learning in schools and other education settings to support young people's mental wellbeing

Creative Economy support

- **Cultivator** - providing skills, networking, investment, export, and other creative business development opportunities for the sector
- **Screen Cornwall** - supporting the growth of the film industry in Cornwall through services to production companies and talent development programmes
- **Cornwall 365 What's On** - the comprehensive events listing website platform and printed magazine for Cornwall which works in partnership with C365 Network.

Creative Hub development

- **Krowji** - Cornwall's largest creative hub and workspace cluster in Redruth
- Offering support to emerging creative hubs and place making projects

Creative Kernow Limited

Trustees' Report

Creative Kernow is a well-established charity and social enterprise with an experienced board of trustees and a strong staff team. Our finances are broadly based with a variety of income sources including long-term grant support from Arts Council England and Cornwall Council, European Structural Investment funds via European Social Fund and European Regional Development Fund, earned income from commissions and contracts, box office income from events and rental income from our workspace cluster in Redruth. Creative Kernow contributes significantly to developing and delivering effective models for creative and cultural practice, sector, community and audience engagement, clusters and networks and leadership development in our rural region.

We continually develop new projects and partnerships, seeking opportunities to enhance our sustainability as an organisation, supporting other initiatives and playing an active role in advocacy and leadership for the sector and for Cornwall. Creative Kernow has a good track record of developing innovative projects, investing in our staff, being willing to take risks and planning for the longer term.

Performance

This section provides a summary of activity between April 2022 and March 2023, and it is divided into our separate delivery strands: Creative Communities, Creative Economy, and Creative Hub Development.

Creative Communities

A total of 182 projects were funded over the financial year 22-23 across all the funding streams we manage, including FEAST, Redruth Unlimited, Tresorys Kernow and Arts Lab - almost three times the volume of contracting we have done in early FEAST/pre-Covid years.

Tresorys Kernow

Tresorys Kernow was a Community Renewal Fund supported collaboration with Cornwall Museums' Partnership (CMP). It was designed to test culture-led approaches to high street transformation following the Covid pandemic and centred on ten towns: Truro, Bodmin, Bude, Launceston, Porthcurno - led by CMP and Penzance, Lostwithiel, St Austell, Newquay and Saltash - led by Creative Kernow. The FEAST process, criteria, call and selection panels had to be uniquely adapted to, and owned by, the residents of those towns. These five towns experienced a confidence and skills boost of their local cultural leaders who took the lead in commissioning work. 38 projects were funded, and FEAST oversaw all the applications and panels, and handled the contracting and monitoring.

Over 150 public events across the 10 towns were funded with a budget of £580k, which included over 5000 workshop and activity participants, over 16,000 (including online) audience members, over 400 artists and over 300 volunteers. The impact was felt positively, with new partnerships and collaborations being built, with the majority of audience members wanting to see more events like this in their town, the programme having given them a greater sense of town pride, sense of community and belonging.

Through Tresorys Kernow, Carn to Cove programmed two performances from Etta Ermini Dance Company in St Austell in June, which was a dance cabaret promenade piece by a London based company who held a workshop with St Austell College drama students who joined in for part of the performance.

Arts Lab

Phase One of Arts Lab, the Headstart Kernow Arts project, was completed and an artist evaluation undertaken. It had an overwhelmingly positive response from schools and young people, and an additional £45k was secured for the project from Headstart Kernow in May which went into Phase One. We were subsequently offered around £75k/year to continue the project from Public Health Cornwall over three years. The Arts Lab Manager Izzy Bianchini was tasked with searching for additional sources of match funding for the initial months of Phase Two.

Creative Kernow Limited

Trustees' Report

Carn to Cove

The 2022 Carn to Cove spring season had consisted of 48 events between February and the end of July, proving a slightly extended season than pre-Covid times, with three of the early performances cancelled or postponed due to high Covid cases. This ranged from a singer-songwriter to Regents Opera, international artists from Poland and Belgium, family theatre, and homegrown theatre productions. Events were programmed for the Isles of Scilly too. The autumn season was impacted by the national mourning period and funeral of HM the Queen, with the cancellation of five performances of which only two could be rescheduled. Carn to Cove proceeded, however, to have sell out shows and excellent feedback for The Syrian Baker (Farnham Maltings), Help, I think I'm a Nationalist (Seamas Carey), Zulu Tradition, Bournemouth Symphony Orchestra and The Odyssey (Dave Mynne). The 2023 spring season saw a slightly slimmer programme of performances, but experienced an upturn in audience numbers compared with the autumn.

TK MusicLab

Musicians Ryan Jones and Matthew Thomason were recruited as music leaders to work with young people in Cornwall and compose an original piece of music with partners at Music Hub in Romania. Ryan and Matt visited Sibiu where they met the Romanian participants and began working on a composition. The project and the delivery were presented at a meeting with the British Council as part of the developing community for the International Collaboration strand at the end of July. The Romanian young musicians visited Cornwall in February 2023, working with the Cornish cohort to finish off their music composition and performed the final piece at Truro School Chapel as part of Matthew Thomason's concert, resulting in a standing ovation from a sold-out audience.

C Fylm, in addition to the regular club screenings, held two Salon du Cinema events as part of the BFI Film Feels Curious season in partnership with Scary Little Girls and hosted a pedal-powered film screening as part of GoodFest, working with Screen Cornwall and Blystra Arts. C Fylm entered a speculative bid with Screen Cornwall to the BFI's Spotlight strand looking at placemaking for a project in Camborne - this was unsuccessful although generated interest. C Fylm were approaching partnering with the Film Hub on a smaller pilot focused on engaging lower socio-economic groups supported via the Film Exhibition Fund opening in April.

Claire joined the boards of the National Rural Touring Forum and Yskynna Vertical Dance Company and Imogen became part of the Sea Change network that supports women across the screen industries. Imogen also won a bursary to attend the Arts Marketing Association conference in Birmingham.

Tamara Consultancy

Creative Communities staff worked alongside C365 to deliver consultancy to the Tamara Landscape Partnership Scheme examining possible models for their arts festival in 2024. Community consultation sessions were held in October in Callington, Calstock and Tavistock, using the Tresorys Kernow model. This consultancy work brought in useful additional income. We began exploring the possibility of replicating the model to deliver some consultancy work with the Cornwall Council Strategic Planning team's new Local Plan, using our community networks and the Tresorys Kernow pollinators to feed into that document.

International work

Claire attended an International Theatre Forum event in Romania in September and made a presentation about the rural touring network in the UK, which was very well received amongst the delegates - a mix of creatives and cultural organisations from Romania and Hungary.

Creative Europe have continued to support the SPARSE Network after the initial project came to an end last year. We are no longer involved as an active partner but will retain the links with the original partner organisations as well as being able to offer mentoring and consultancy for the new countries.

Creative Kernow has become a member of the European Network of Cultural Centres, and Claire attended the first General Assembly meeting online. Creative Kernow has joined a Working Group on Cultural Centres and non-urban areas and Claire participated in a webinar to talk about the UK rural touring model.

Claire travelled to Spain at the end of March to represent Creative Kernow at the Joining the Dots conference focused on issues around sustainability.

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Trustees' Report

Creative Economy

Screen Cornwall

The Film Office was busy with location permissions and crew enquiries for a wide range of projects shooting in the summer of 2022, which included a BBC Films/BFI feature and the BBC series Beyond Paradise, a production with whom Screen Cornwall worked to place 12 trainees through the ScreenSkills First Break scheme in collaboration with Red Planet Pictures. Leader of Cornwall Council Linda Taylor and Head of Inclusive Growth and Skills Emily Kent were shown the Beyond Paradise set in Looe to see how the production was working with local people.

After senior level meetings with Cornwall Council, a Partnership Agreement was signed so that the FilmApp could be implemented. A proposal was submitted to Bristol for the BFI's Regional Skills Cluster open call and Screen Cornwall were invited to interview.

Screen Cornwall's Film Office Manager attended the Filming in England conference, the team attended the FOCUS production show in London as part of the Filming in England stand, and Screen Cornwall was the official partner of Sheffield Doc/Fest for the first time.

The new crew database restructure was successful had the potential to be evolved further with annual refreshes. A strong trainees list resulted from the open call for First Break, and a crew night was scheduled in Newquay in March.

Six projects from Falmouth University School of Film & TV graduates / alumni were selected for support. One creative team was awarded BFI NETWORK funding to make their short film and four writers have been selected for the Channel 4 West & South West Writers scheme. A script read event for Cornish Voices and New Writers Network supported by Cultivator was held. Tresorys Kernow documentary skills workshops for four Gamechanger/Real Ideas clients took place in St Austell and the Tresorys Kernow project culminated in a 3-day creative 360 dome experience open to the public in Truro in July.

Screen Cornwall was awarded funding from the Council's Creative & Cultural Investment plan to run further creative careers and talent development activity with consortium partners Hall for Cornwall, AsONE Perform and Creative Kernow from 2022-26, which enabled the team to continue the work on the New Creatives Cornwall marketing campaign as well as supporting careers fairs and additional work experience opportunities.

Our pilot outreach co-ordinator linked up with support workers in community organisations to run several test workshops. This culminated in a 'make a film in a week' course held at Bill's Attic in September.

A second cohort of the Peninsula Producers Network took place in partnership with Exeter Phoenix and funded by BFI NETWORK with four Cornwall and four Devon-based participants.

The Screen Business Network met quarterly and planned a series of events for writers at every stage.

In terms of developing a Kernow Public Service Media, the two projects BLOOM and ART that were awarded FylmK funding were in production, and the 2021 commission MAB HUDEL was delivered. 15 Cornish creatives visited Quimper in Brittany in June, with KESTAV (FylmK) winning Best Short and lots of important connections made with potential collaborators and funders. Two skills events focus on Cornish language, culture and heritage media were held in September with particular interest for the 'Directing & Acting in Cornish' session.

The four existing Cornish Language Fylm K commissions were made available on BBC iPlayer: BBC iPlayer - Cornish Shorts, the culmination of two years of work and the Shared Prosperity Fund bid, submitted in early December, focused on the development of the early stages of a Cornish Public Service Media and bringing the Celtic Media Festival back to the region, as well as supporting our core film office work. An additional bid went into Cornwall Council as part of the devolution deal to invest £150k via Screen Cornwall on further indigenous / Cornish Language productions, with the decision pending in July 2023.

The BFI National Cluster Growth Fund activity progressed with the support of the appointed research partner Olsberg SPI. An impact report was released in September 2022 which formed a useful exercise in working out future data collection and storytelling.

Creative Kernow Limited

Trustees' Report

Screen Cornwall was successful in securing funding for work package 2 of Cornwall Council's Cultural Investment Strategy - talent development and creative careers - in a consortium with Hall for Cornwall, AsONE Perform and Creative Kernow. Screen Cornwall became a delivery partner of Cultivator to administer a pilot round of the Screen Growth Production Fund via an ERDF extension fund. The completed BFI National Creative Clusters research was made available on the website: Screen Cluster of National Significance - Screen Cornwall. Their B corp accreditation unfortunately fell at the final hurdle as Screen Cornwall does not receive more than 50% of its income from commercial sources, however the principles of a triple bottom line are still at the heart of how the company wants to operate.

Cornwall 365 Network / What's On

The collaboration between Open Studios and Cornwall 365, new for 2022, was successful with the dual Guide and Open Studios publication receiving more What's On promotional coverage than in previous years. There was mixed feedback from the artists due to the changes incurred, although they were necessary for the continuation of the Open Studios. It was decided that for 2023, Open Studios would be run solely by the Cornwall 365 team with changes implemented based on the feedback from artists to create a more positive experience for the team too.

The Summer 2022 What's On Guide was the most successful edition for two years, with advertising revenue back to pre-pandemic levels for the first time and 34 partners on board, more than pre-lockdown. The print and distribution costs associated with the Guide had risen over the year, however the Winter Guide still managed to turn a respectable profit. A price increase for all What's On services would be implemented in the 2023-2024 financial year to balance between keeping prices accessible to community producers whilst generating enough profit against rising costs. As anticipated, advertisers were committing less budget spend to events because audiences were still not at pre-Covid levels, while the cost of living was also impacting on fewer ticket sales.

The Cornwall 365 work mapping Intangible Cornish Cultural Heritage came to an end, and the research was presented this research at the Gorsedh Conference at the Hall for Cornwall, and a final report was submitted. Cornwall 365 was included in a bid from the Re:Voice project, and we have expertise needed by the ICH sector, so I anticipate this is just the start of our work in this area and we will keep looking for opportunities to contribute.

The C365 Tresorys Kernow project included skill sessions such as with Mark Trevethan leading a How to Use Cornish in Your Business Workshop and Livvy Drake leading on Sustainable Events. C365 also worked on the marketing and evaluation of the project.

Cornwall 365 was awarded a tender from Cornwall Council to run three more workshop sessions for their EXPERIENCE programme, centred around experience-led tourism, sustainable events, and social media marketing. The team collaborated with the Creative Communities strand on a consultancy project for the Tamara Landscape Partnership Scheme around creating a River Festival of the Arts and worked with their bid writer on developing an application for an appropriate funder.

C365 What's On successfully made their SPF bid to create a What's On App, an exciting digital solution to enable users to discover events and access Cornwall's rich cultural and heritage scene. The foundation of the app will be built on the following user journey:

Discover > Book > Feed Back

- Discover will utilise our API events feed, pulling through all of the events listed on Cornwall365.com.
- Through Book we will integrate a box office system to enable users to easily book a ticket.
- Feedback will provide a space for customers to tell us about their experience through our integrated In the Loop platform.

The grant was agreed post-year-end, totalling £230,000 to be receivable from 1 July 2023 to 31 March 2025, with some match funding coming from In the Loop ring-fenced income.

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Trustees' Report

Cultivator

Cultivator entered its final year of delivery, with three business advisors leaving in 2022 for alternative employment opportunities and redundancy plans created for the group of business advisors for after June 2023 as the ERDF funded part of the programme came to an end.

A fourth, highly competitive CDC Export grant was awarded in May 2022, with 12 awards to clients made totalling £30K. The final grant round occurred in September. In collaboration with Cornwall Council Trade and Investment, a selection of clients were selected to undertake a reconnaissance visit to Maison & Objet trade fair in Paris in Jan 2023.

The third and final cohort of 12 participants took part in the Creative and Culture Leadership Programme has been selected from a wide field of applications, with good representation from across sub sectors and geographic spread.

Cultivator's PCR was approved in June to enable them to appoint Screen Cornwall as delivery partner for all ERDF activity for screen clients, allowing the progress of the Screen Growth Development and Screen Growth Production funds. For the Screen Growth Fund grant rounds, three awards have been made at a total of £279,566.93 out of a possible £400,000. Although the number of awards (and thus the overall award total) were lower than anticipated, the funds facilitated an exciting and diverse range of Cornish projects.

The eighth round of the Creative Investment Grants (CIG) applications was assessed and awarded in June, with £90K being dispersed to clients. Our PCR also gives us funding for an additional round of the Creative Investment Grant and more networking opportunities. The project delivery end date was thereby extended from March 2023 to June 2023, bringing it in line with the ESF strand of the project. The final rounds of Individual Skills & Mentoring were awarded in March; 24 clients were awarded a total of £16,866 in grants for Individual Skills development and 23 clients were awarded a total of £35,095 in grants for Mentoring.

A PCR was submitted to DWP requesting an extension to the ESF project from June 2023 to December 2023 to enable additional grant funding rounds and skills sessions delivery and was approved. Following the acceptance of an Expression of Interest (EoI) to the Good Growth team in February 2023, a full funding application was submitted to provide business & skills support to Creative Industry businesses in CIOs in to mid-2025, which would be considered at the Good Growth panel meeting in May.

Creative Hub Development

Krowji

Occupancy and income

Krowji received an average of 98% occupancy levels during 2022, and levels remained very good going into 2023, particularly given the economic climate and cost-of-living crisis. Following an in-depth review, tenants were notified of a 3% blanket increase across all studios with a further increase for studios inclusive of electricity from July 2022. The overall increase was capped at 10% this financial year to support the tenants and maintain good occupancy levels. With the electricity tariff increasing by approximately 130%, 50p per sq ft was added to all studios inclusive of electricity and tenants were advised of a further significant increase in April 2024.

The team had planned for and anticipated large studio vacancies and prioritised marketing and communications around promoting available spaces as well as exploring alternative uses for these large studios. Some studio rent was also lost due to roof leaks and tenants needing to be moved to alternative studios and compensated. Building maintenance and repairs continued onsite, despite delays from the previous year due to fire damage related repairs and work. The Yard site operated at 100% occupancy.

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Trustees' Report

Events and outreach

Krowji's participant numbers for the summer Open Studios Cornwall event experienced a decrease as tenants no longer found the model financially viable. Krowji therefore adapted to develop tenant-led Micro Markets at a much smaller scale for tenants to participate in. A Fun Palace event was hosted on the Splatt with tenants running activities for over 200 members of the public, and an event was hosted by FEAST in conjunction with Cultivator in September. Krowji's relationship with its tenants has much improved with the introduction of new social events such as the Krowji Summer Supper.

There was an increased uptake in tenant registration for Christmas Open Studios, from 57 to 70 tenants. The studio manager Emma Wood and administrator Hannah Andrews ran the event and invited members of the public, especially young people, to make Christmas decorations to hang on a tree to be then gifted to a local family supported by St Petrocs. A Shoebox Appeal was also organised with Krowji as a drop-off point, and the local Trewirgie school choir gave a performance with the proceeds going to Foodbank. Social media engagement had generally increased. Krowji subscribed to the Transparent Presence Ally scheme to make Krowji a recognised safe space for the transgender and non-binary community.

Insurance settlement and capital project

After long delays and much chasing following the North Light Fire in May 2021, a cash settlement of around £690k was agreed in principle with Aviva in July 2022. This allowed the Krowji team and board to begin planning in earnest for a small capital project to replace the lost studios.

A consultation event was held in October for the tenants and wider creative community to enable people to feed back their ideas for the Phase 3 replacement studios on the Splatt, which produced rich discussions. A consultation workshop was also held with year 10 students from Redruth School which helped to build a more positive relationship with the school.

We were awarded Good Growth SPF funding for the Phase 3 project following the year-end. The grant totals £382,819 to be receivable from 1 April 2023 to 31 March 2025 with a proposal to match this with £310,000 from the insurance settlement.

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Partnership activities and other projects

Creative Kernow plays a key part in innumerable partnership projects across Cornwall and further afield, often going far beyond what is formally required or expected by our funders. All our projects involve working in partnership with others and this is one of the most rewarding aspects of our role.

Highlighted partnership working:

As referenced earlier (see Creative Communities) we delivered a major partnership project with Cornwall Museums' Partnership which concluded in the summer of 2022. Much of the learning from this project was directed towards our SPF Good Growth project Extraordinary Art in Everyday Places.

Our work with Arts Well CiC and Headstart Kernow has extended our FEAST commissioning model into schools and other education settings and is supporting much needed creative interventions to support mental wellbeing for young people.

There has been a welcome resurgence in tenant activity at Krowji with artists supporting the organisation of Open Studios and programming activities in the café and Art Room which draw new visitors to the site and promote studio space to the wider creative community.

Krowji continued to be approached by various individuals and organisations seeking advice and information on running studios, including a couple looking to convert a building in Penzance, St Austell Town Council who would like to incorporate an arts and culture hub or space within their town revitalisation plans, and architects working for Lostwithiel Town Council who are looking to convert some of their heritage buildings and have been inspired by Krowji's model. Krowji would look towards ways they can monetise these consultancy services in future.

Our links with projects in Redruth remained a priority. FEAST commissioned projects for the Redruth Unlimited cultural programme as part of High Street Heritage Action Zone (HSHAZ) funded by Historic England.

Our staff were as always involved in a wide variety of other local and regional initiatives, sometimes in a work capacity and sometimes personally. These included the boards or steering groups for CIOS LEP Creative Industries Taskforce, Kernow Education Arts Partnership, Miracle Theatre, Cornwall Wildlife Trust, Cornwall Media Resource, Cornwall Digital Skills Partnership, Cornwall Film Festival, Goldentree, Cousin Jacks, The Tin Coast Partnership, Leach Pottery, Scary Little Girls and O-Region as well as a number of strategy review bodies. This is a key aspect of Creative Kernow's work which is hard to quantify, but which is highly valued by our funders.

Financial Review

Creative Kernow group ended the year with a surplus of £543,628, made up of a deficit of £97,933 on restricted funds and a surplus on unrestricted funds of £641,561. Our unrestricted reserves have increased to £1,079,479, with total funds held by the group at the year-end standing at £1,387,873. The level of free reserves for the charity at 31 March 2023 is £889,431 and £867,008 for the group.

Charity turnover in the year was £2,740,095 in comparison with £2,394,829 in the 2021/22 financial year. The Cultivator Programme continued to account for approximately 60% of income.

The Trust's policy on the level of reserves is that they should provide at least three months' operating costs for Creative Kernow's core team; our reserves continue to be more than adequate for that purpose. In future years these reserves may be required for staff redundancies as the Cultivator programme comes to the end of its EU funding. Redundancy costs cannot be claimed though these funding programmes.

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Trustees' Report

We continue to reduce our reliance on ACE and Cornwall Council core funding as a proportion of our turnover. The staff and trustees continue their entrepreneurial approach to the diversification of income streams with earned income from consultancy, partnership projects and non-statutory funding sources helping generate revenue.

We continue to believe that we are an efficient and cost-effective organisation, with a small core management and admin team supporting the programmes and subsidiary businesses.

The Board feels confident that the future of Creative Kernow's core activity is secure, given continued support at current levels and the Trustees believe that the Charity's finances are on a secure long-term footing.

Financial performance of our subsidiary companies

Krowji Ltd

Krowji ended the year with a pre-tax profit of just over £91,000.

Cornwall Arts Marketing Ltd

Cornwall Arts Marketing ended the year with a pre-tax profit of just over £23,000.

Screen Cornwall Ltd

Screen Cornwall ended the year with a pre-tax loss of just over £9,000.

Pay policy for senior staff

The board of directors, who are the charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating Creative Kernow on a day to day basis. All directors give their time freely and no director received remuneration in the year, including the directors of the subsidiary companies. Details of any related party transactions are disclosed in the notes to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings, as is the pay of other staff. A recent benchmarking exercise identified senior leadership and entry level roles within the Creative Kernow group as being behind the Cornwall average. Pay increases have been focussed on those lower pay bands to ensure all staff are on the real living wage or above.

Risk Management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiaries face which is reviewed in the event of any serious incident or change of senior staff;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Significant risks which have been identified and managed include staffing in the finance team. With the appointment of an interim finance director and finance officer (July 2023) this risk has been downgraded. Board and senior managers are working on proposals for a restructure to the core team to support contingency in the event of any further gaps in staffing and to clear operational backlog and make processes more streamlined going forward.

The conclusion of our risk assessment at the time of this report is that the charity and its subsidiaries are still in a strong position as far as financial sustainability is concerned, but that this is inevitably very dependent on continued support from the major public funders of our work and on continuing demand for workspace and our other products and services.

Creative Kernow Limited

Trustees' Report

In terms of risks relating to our activities and our built environment, close attention is always given to office-based activity and the safety of our premises at Krowji, with strong and regularly reviewed policies and procedures in respect of health and safety, fire and other such risks. Key staff undertake appropriate training and awareness raising across these operational areas. These risks have clearly changed and grown under Covid, but the directors and senior staff continue to believe that the Creative Kernow group is operating safely and with appropriate measures in place.

Looking ahead

We are pleased to have secured funding agreements which provide a stable footing for activity until the end of next financial year (March 2025) from the Good Growth programme with additional funding for the year 2025/6 available for Creative Communities and core through the Arts Council NPO and Cornwall Council Cultural and Creative Investment Programme.

The Good Growth funded projects have been designed to deliver new products and services to the group and test business models which are the bedrock of Creative Kernow's agile and entrepreneurial approach to income generation. Krowji Phase 3 will deliver new spaces and increase rental income; Cornwall 365 will develop an app which will increase listings revenue and Screen Cornwall has much needed core funding to allow further research and development around their business model and in particular the screen investment fund. Creative Communities are trialling a new consultancy model with Cornwall Council to support the development of their Local Plan. The new Creative Enterprise Director is putting together a business plan for a membership model offering business support services and networking opportunities. We will aim to increase unrestricted donations to the charity through a comprehensive fundraising plan working with volunteers to secure long term supporters.

Public funding beyond 2025 remains uncertain. There is no indication from the current government as to what funds might be available regionally or nationally to replace the Shared Prosperity Fund. With a general election due before January 2025 and a change in administration a likely outcome, we anticipate this lack of clarity continuing throughout the next 12 months. Our strong track record in researching and attracting funds, connectedness and history of collaboration with key sector organisations and our entrepreneurial flair will all support our agility in responding to calls for proposals and to finding alternative routes to sustain activity.

Following the review of trading activity and governance by Counter Culture Ltd which concluded in February 2023 trustees and staff have been working through a series of recommendations and planning conversations to determine our group structure.

We continue to believe that we are an efficient and cost-effective organisation. The Board feels confident that the future of Creative Kernow's activity is secure, given continued support at current levels and that sufficient activity is planned to ensure that income generation is both increased and sustainable following the end of the Cultivator programme.

Trustees elected a new Chair to the Creative Kernow Board in July 2023 as a successor to John Pulford. Paul Brookes is the former Chief Executive of The Box Plymouth where he oversaw the transformative capital development project and brings a wealth of experience and knowledge from a career in arts and creative industries management. In November 2023 the board and senior management team will come together to refresh our vision and review our strategic direction to enable a united and confident presentation of our future plans to stakeholders and funders.

The trustees believe that Creative Kernow is well-placed to make the most of the opportunities and challenges that lie ahead and we will continue to take a lead amongst our partners in Cornwall in helping the sector to go forward. The role of the staff taskforces has been evident in embedding our organisational commitments to sustainability and climate change; equality, diversity and inclusion and developing an evidence base for cultural and creative impact.

Creative Kernow Limited

Trustees' Report

The Board is firmly committed to the principles of public benefit, widening access, diversity and equal opportunities. We have worked closely with our funders - especially Arts Council England - on issues of governance, diversity and transparency as part of our funding agreements. The directors and staff will regularly monitor the charity's actions on equal opportunities and their impact on staff, partner organisations and the public.

In shaping their objectives for the year and planning Creative Kernow's activities, the trustees have considered the Charity Commission's guidance on public benefit and the importance of demonstrating that Creative Kernow fulfils its charitable purposes for the wider good of society. They believe that this report shows clearly that the charity offers a very wide range of support, activities and services to all the communities of Cornwall.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 18.12.23 and signed on its behalf by:


.....
John Alfred Pulford
Trustee

Creative Kernow Limited

Statement of Trustees' Responsibilities

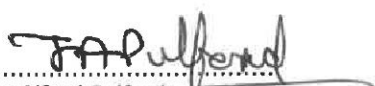
The trustees (who are also the directors of Creative Kernow Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable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

Company law requires the trustees to prepare financial statements for each financial year. 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 charitable company 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 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 18.12.23 and signed on its behalf by:


.....
John Alfred Pulford
Trustee

Creative Kernow Limited

Independent Auditor's Report to the Members of Creative Kernow Limited

Opinion

We have audited the financial statements of Creative Kernow Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023 and of the group's results and of the parent charitable company's incoming resources and application of resources for the year 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 trustee's 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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the group financial statements and parent charitable company's financial statements and our auditor's report thereon. Our opinion on the group financial statements and parent charitable company's 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.

In connection with our audit of the group financial statements and parent charitable company's financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements and parent charitable company's financial statements or our knowledge obtained in 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 there is a material misstatement in the group financial statements and parent charitable company's financial statements or a material misstatement of the other information. 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.

Creative Kernow Limited

Independent Auditor's Report to the Members of Creative Kernow Limited

Opinions 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, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 14], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group financial statements and parent charitable company's 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 group financial statements and parent charitable company's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements and parent charitable company's financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Creative Kernow Limited

Independent Auditor's Report to the Members of Creative Kernow Limited

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity at the planning stage of the audit. The charity is subject to laws and regulations that directly affect the financial statements, specifically the Companies Act 2006, Charities Act 2011 and Charities Statement of Recommended Practice. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. The charity is also subject to laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or loss of the charity's ability to operate. In making this assessment we determined that the most significant elements of legislation include those relating to employment laws and regulations, health and safety standards and compliance with major funding contracts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Making enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries, we also discussed with management changes in risk assessment relating to fraud, and whether there have been any known instances, allegations or suspicions of fraud, of which there were none.
- Considering the filings made at Companies House and the Charity Commission, and any omissions thereon, of which none were identified.
- Discussing with management compliance with health and safety legislation, including any reforms to these.
- Making enquiries of management and reviewing charity expenditure for any evidence of disputes, actual or potential litigation and claims, with regulators or any other such body.
- Reviewing documentation from fund providers to test whether funds had been appropriately claimed and utilised for purposes as set out in the respective contract terms.
- Auditing the risk of management override of controls, including through testing of journal entries and other adjustments for appropriateness, and evaluating the rationale for significant transactions outside the normal course of business activities, of which there were none.
- Reviewing estimates and judgements made in the financial statements for any indication of bias and challenged assumptions used by management in making the estimates.
- Reviewing Board minutes and correspondence with regulators to corroborate the findings from the above.

Due to the inherent limitations of an audit, there remains a risk that we may not have detected some material misstatements in the financial statements or non-compliance with laws and regulations. This is despite the fact that we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed irregularities are from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there remained a high risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. This risk was reduced by a thorough review of all controls in place that monitor items and transactions affecting the financial statements. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

All relevant laws, regulations and significant risks of fraud identified have been clearly communicated to each member of the audit engagement team.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Creative Kernow Limited

Independent Auditor's Report to the Members of Creative Kernow Limited

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 and trustees those matters we are required to state to them in an auditor's 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Paula Thomas BA FCA DChA (Senior Statutory Auditor)
For and on behalf of Walker Moyle Ltd, Statutory Auditor

3 Chapel Street
Redruth
Cornwall
TR15 2BY

Date: 19 December 2023.

Creative Kernow Limited

Consolidated Statement of Financial Activities for the Year Ended 31 March 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	333,077	1,671,552	2,004,629	2,237,683
Commercial trading operations		722,519	241,204	963,723	739,305
Investment income	4	5,221	-	5,221	1,295
Charitable activities	5	80,083	15,880	95,963	140,420
Other income	6	606,035	-	606,035	-
Total Income		<u>1,746,935</u>	<u>1,928,636</u>	<u>3,675,571</u>	<u>3,118,703</u>
Expenditure on:					
Commercial trading operations		(630,882)	(241,203)	(872,085)	(696,436)
Charitable activities	7	<u>(480,635)</u>	<u>(1,779,223)</u>	<u>(2,259,858)</u>	<u>(2,337,380)</u>
Total Expenditure		<u>(1,111,517)</u>	<u>(2,020,426)</u>	<u>(3,131,943)</u>	<u>(3,033,816)</u>
Net income/(expenditure)		635,418	(91,790)	543,628	84,887
Transfers between funds		<u>6,143</u>	<u>(6,143)</u>	<u>-</u>	<u>-</u>
Net movement in funds		641,561	(97,933)	543,628	84,887
Reconciliation of funds					
Total funds brought forward		<u>437,918</u>	<u>406,327</u>	<u>844,245</u>	<u>759,358</u>
Total funds carried forward	21	<u>1,079,479</u>	<u>308,394</u>	<u>1,387,873</u>	<u>844,245</u>

All of the group's activities derive from continuing operations during the above two periods.

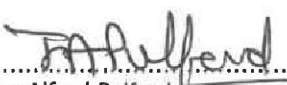
The funds breakdown for 2022 is shown in note 21.

Creative Kernow Limited
(Registration number: 1727731)
Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	5,060,688	5,187,104
Current assets			
Debtors	14	668,453	551,774
Cash at bank and in hand	15	974,161	749,682
		1,642,614	1,301,456
Creditors: Amounts falling due within one year	16	(957,438)	(1,184,634)
Net current assets		685,176	116,822
Total assets less current liabilities		5,745,864	5,303,926
Creditors: Amounts falling due after more than one year	17	(4,307,161)	(4,441,809)
Provisions	20	(50,830)	(17,872)
Net assets		1,387,873	844,245
Funds of the group:			
Restricted funds		308,394	406,327
Unrestricted income funds			
Unrestricted funds		1,079,479	437,918
Total funds	21	1,387,873	844,245

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The financial statements on pages 19 to 51 were approved by the trustees, and authorised for issue on 18.12.23 and signed on their behalf by:


.....
John Alfred Pulford
Trustee

Creative Kernow Limited
(Registration number: 1727731)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	279,983	276,937
Investments	13	<u>201</u>	<u>201</u>
		<u>280,184</u>	<u>277,138</u>
Current assets			
Debtors	14	1,074,838	953,874
Cash at bank and in hand		<u>714,809</u>	<u>609,046</u>
		1,789,647	1,562,920
Creditors: Amounts falling due within one year	16	<u>(196,769)</u>	<u>(433,041)</u>
Net current assets		<u>1,592,878</u>	<u>1,129,879</u>
Total assets less current liabilities		1,873,062	1,407,017
Creditors: Amounts falling due after more than one year	17	<u>(447,073)</u>	<u>(452,123)</u>
Net assets		<u>1,425,989</u>	<u>954,894</u>
Funds of the charity:			
Restricted funds		256,574	353,953
Unrestricted income funds			
Unrestricted funds		<u>1,169,415</u>	<u>600,941</u>
Total funds	21	<u>1,425,989</u>	<u>954,894</u>
 Charity's surplus for the financial year		 <u>471,095</u>	 <u>46,869</u>

The financial statements on pages 19 to 51 were approved by the trustees, and authorised for issue on 19.12.23 and signed on their behalf by:



 John Alfred Pulford
 Trustee

Creative Kernow Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net income		543,628	84,887
Adjustments to cash flows from non-cash items			
Depreciation		137,260	135,779
Investment income	4	(5,221)	(1,295)
Impairment loss on disposal of fixed assets held for the group's own use		-	9,903
		<u>675,667</u>	<u>229,274</u>
Working capital adjustments			
Decrease/(increase) in debtors	14	(116,679)	108,779
(Decrease)/increase in creditors	16, 17	(312,815)	172,757
(Decrease)/increase in provisions	20	<u>32,958</u>	<u>6,389</u>
Net cash flows from operating activities		<u>279,131</u>	<u>517,199</u>
Cash flows from investing activities			
Interest received on bank deposits	4	4,021	95
Rent Income	4	1,200	1,200
Rent income from lease	4	5,151	5,151
Rent income from lease - cons adj	4	(5,151)	(5,151)
Purchase of tangible fixed assets	12	<u>(10,844)</u>	<u>(20,301)</u>
Net cash flows from investing activities		(5,623)	(19,006)
Cash flows from financing activities			
Repayment of loans and borrowings	16, 17	<u>(49,029)</u>	<u>(153,800)</u>
Net increase in cash and cash equivalents		224,479	344,393
Cash and cash equivalents at 1 April		<u>749,682</u>	<u>405,289</u>
Cash and cash equivalents at 31 March		<u><u>974,161</u></u>	<u><u>749,682</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Creative Kernow Limited

Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	(As restated) 2022 £
Cash flows from operating activities			
Net income		471,095	46,869
Adjustments to cash flows from non-cash items			
Depreciation		4,379	3,773
Investment income		(28,368)	(16,726)
Impairment loss on disposal of fixed assets held for the charity's own use		-	9,903
		<u>447,106</u>	<u>43,819</u>
Working capital adjustments			
(Increase)/decrease in debtors	14	(120,964)	57,147
(Decrease)/increase in creditors	16, 17	<u>(241,322)</u>	<u>191,519</u>
Net cash flows from operating activities		<u>84,820</u>	<u>292,485</u>
Cash flows from investing activities			
Interest receivable and similar income		28,368	16,726
Purchase of tangible fixed assets	12	<u>(7,425)</u>	<u>(4,237)</u>
Net cash flows from investing activities		<u>20,943</u>	<u>12,489</u>
Net increase in cash and cash equivalents		105,763	304,974
Cash and cash equivalents at 1 April		<u>609,046</u>	<u>304,072</u>
Cash and cash equivalents at 31 March		<u><u>714,809</u></u>	<u><u>609,046</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Creative Kernow Limited 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 notes. The figures in the financial statements have been rounded to the nearest pound sterling.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its three wholly owned subsidiary undertakings, Krowji Limited, Cornwall Arts Marketing Limited and Screen Cornwall Limited, on a line by line basis, drawn up to 31 March 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Fund structure

Unrestricted income funds are available for use at the discretion of the trustees in furtherance of the general activities of the charity.

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

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the ongoing use of going concern is appropriate i.e. whether there are any material uncertainties relating 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 one year from the date of approval of the financial statements.

The trustees believe Creative Kernow is well placed to make the most of the opportunities and challenges which lie ahead and will continue to take a lead amongst their partners in Cornwall in helping the cultural and creative sectors to thrive and grow.

Funding has been secured for the next three years which provides sufficient time to research and implement new income generation strategies. At the year end the charity held unrestricted reserves of £1,169,415. This is sufficient to cover expected working capital movements as well as any additional costs not budgeted for.

The trustees are therefore satisfied that the charity will be able to operate within their available facilities and continue as a going concern for the foreseeable future, being 12 months from the date of approval of these financial statements.

Income and endowments

Donations and legacies

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature are recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Grants receivable

Grants, including government grants, are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Investment income is included when receivable.

Charitable activities

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. Expenditure includes any VAT which cannot be 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 constitutional and statutory requirements of the Charity and include the audit fee and costs linked to the strategic management of the Charity.

- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis per Note 6.

- Expenditure on commercial trading operations comprises the costs incurred by the three trading subsidiaries of the Charity, Krowji Limited, Cornwall Arts Marketing Limited and Screen Cornwall Limited.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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.

Goodwill

Goodwill arising on an acquisition of a business is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class

Goodwill

Amortisation method and rate

Straight line over 5 years

Tangible fixed assets

Expenditure on tangible fixed assets is capitalised. The costs of minor additions or those below £500 are not capitalised. The charity does not have a policy of revaluation.

Own labour costs which are considered to be directly attributable to the construction of the property are included in the cost of construction.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class

Freehold buildings

Equipment

Plant and machinery

Leasehold land and buildings

No provision is made in respect of freehold land.

Depreciation method and rate

Straight line basis over 50 years

Straight line basis over 4 years

Straight line basis over 10 years

Straight line over the life of the lease, apart from Percy Williams Building (phase 1 & 2) which are depreciated over 50 years from dates of completion

Impairment of fixed assets

Intangible and tangible fixed assets are reviewed for impairment when changes in circumstances or events indicate that the carrying value of the fixed assets may not be recoverable. An impairment loss is recognised where the recoverable amount is less than the carrying value.

Debtors

Trade and other debtors are recognised initially at the settlement amount due. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Prepayments are valued at the amount prepaid.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Cash and cash equivalents

Cash at bank and in hand includes cash and short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creditors and provisions

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price.

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leased assets

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Financial instruments

Classification

Financial assets are classified into either basic or other financial assets. Financial liabilities are classified into either basic or other financial liabilities. These classifications depend on certain criteria determined at the time of recognition.

The charity holds only basic financial instruments.

Recognition and measurement

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the charity's obligations are discharged, expire or are cancelled.

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is initially measured at the present value of the future receipts discounted at a market rate of interest and subsequently held at amortised cost.

Basic financial liabilities, including trade and other payables are initially measured at transaction price, unless the arrangement constitutes a financing transaction where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Impairment

Basic financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

2 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £5 towards the assets of the charity in the event of liquidation.

The charity is incorporated in England and Wales. The address of its registered office is:

Krowji
West Park
Redruth
Cornwall
TR15 3AJ

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	2023	2022
	General £	funds £	£	£
Grants				
Carn to Cove - Cornwall Council	12,730	-	12,730	16,650
Carn to Cove - Arts Council	80,000	5,044	85,044	91,319
Carn to Cove - Other	-	4,971	4,971	41,701
FEAST - Cornwall Council	-	143,760	143,760	203,141
FEAST - Arts Council	100,000	-	100,000	95,000
FEAST - ESF	-	41,208	41,208	-
FEAST - Other	-	-	-	12,500
Cultivator	79,778	1,299,900	1,379,678	1,484,441
Other Projects - Cornwall Council	3,650	116,920	120,570	133,953
Other Projects - Arts Council	36,588	-	36,588	71,588
Other Projects - Other	16,967	60,220	77,187	35,549
Donations				
Carn to Cove - Donations	-	-	-	978
FEAST - Donations	-	-	-	586
Other Donations	3,364	(471)	2,893	50,277
	<u>333,077</u>	<u>1,671,552</u>	<u>2,004,629</u>	<u>2,237,683</u>

4 Investment income

	Unrestricted funds	Total	Total
	General £	2023 £	2022 £
Interest receivable and similar income;			
Interest received on bank deposits	4,021	4,021	95
Rent receivable	1,200	1,200	1,200
	<u>5,221</u>	<u>5,221</u>	<u>1,295</u>

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

5 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	General £	£	£	£
Carn to Cove	59,099	404	59,503	56,507
Miscellaneous	20,984	15,476	36,460	83,913
	<u>80,083</u>	<u>15,880</u>	<u>95,963</u>	<u>140,420</u>

6 Insurance proceeds

	Unrestricted funds	Total 2023
	General £	£
Insurance proceeds in respect of fire at North Light building	<u>606,035</u>	<u>606,035</u>

It is the intention of the Charity to use the insurance proceeds to reinstate the building.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

7 Expenditure on charitable activities

	Basis of Allocation	FEAST	Carn to Cove	Carn to Cove Projects	Cultivator	Other Projects	Governance	2023 Total	2022 Total
Direct Costs									
Staff Costs	Direct	90,892	73,350	-	443,800	150,603	-	758,645	814,531
Other Costs	Direct	328,708	64,632	18,685	805,860	110,198	-	1,328,083	1,293,868
Publicity	Direct	1,530	623	10	-	102	-	2,265	5,071
Recruitment	Direct	-	-	-	-	-	-	-	-
Travel	Direct	191	3,932	2,073	9,449	1,037	-	16,682	10,152
Audit fee	Direct	-	-	-	-	-	35,202	35,202	21,354
Total direct costs:		421,321	142,537	20,768	1,259,109	261,940	35,202	2,140,877	2,144,976
Support Costs									
Premises	Floor area	7,478	-	155	7,932	7,719	-	23,284	76,957
Legal and professional	Usage	-	-	-	-	3,692	-	3,692	2,392
Consultancy	Usage	45	-	-	-	25,680	-	25,725	26,186
Office expenses	Usage	1,272	4,202	527	14,096	40,460	-	60,557	72,966
Bank charges and interest	Usage	-	1,129	56	25	132	-	1,342	227
Depreciation	Usage	-	-	-	-	4,381	-	4,381	3,773
Impairment loss on disposal of fixed assets held for the group's own use	Usage	-	-	-	-	-	-	-	9,903
Total support costs:		8,795	5,331	738	22,053	82,064	-	118,981	192,404
		430,116	147,868	21,506	1,281,162	344,004	35,202	2,259,858	2,337,380

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Included within expenditure on charitable activities 'other costs' on the previous page is grant funding to third party individuals under the Cultivator project and FEAST projects. The previous year included grant funding under Emergency grants paid to tenants of Krowji impacted by the North Light Building fire. The total grant funding of activities during the year was £1,064,535 (2022 - £959,178).

8 Government grants

Government grants recognised in the financial statements are made up of funds from Cornwall Council, The British Film Institute, Historic England and Kickstarter grants supported by the government.

The charity was also in receipt of Coronavirus Job Retention Scheme grants of £nil (2022: £3,941) in the year.

The amount of grants recognised in the financial statements was £423,588 (2022 - £495,405).

Additional government grants of £94,437 (2022 - £90,007) are recognised in the consolidated financial statements, received by trading subsidiaries. Included in the above is £nil (2022: £1,222) received in respect of Coronavirus Job Retention Scheme grants.

9 Net incoming/outgoing resources

Net outgoing/(incoming) resources for the year include:

	2023 £	2022 £
Operating lease rentals	513	513
Auditors' remuneration	21,390	17,000
Other accountancy services	33,213	23,547
Impairment loss on disposal of fixed assets held for the group's own use	-	9,903
Depreciation of fixed assets	<u>137,260</u>	<u>135,779</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

11 Group Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	922,756	935,604
Social security costs	73,855	73,441
Pension costs	25,764	26,235
Other staff costs	<u>279</u>	<u>37,150</u>
	<u><u>1,022,654</u></u>	<u><u>1,072,430</u></u>

The monthly average number of persons (including senior management team) employed by the group during the year was as follows:

	2023 No	2022 No
Charitable Activities	<u>37</u>	<u>39</u>

No employee received emoluments of more than £60,000 during the year.

The key management personnel of Creative Kernow Limited comprise of the Chief Executive Officer only.

The total employee benefits of the key management personnel of the Charity were £56,397 (2022 - £56,161).

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

12 Tangible fixed assets

Group

Cost

At 1 April 2022
Additions

At 31 March 2023

Depreciation

At 1 April 2022
Charge for the year

At 31 March 2023

Net book value

At 31 March 2023

At 31 March 2022

Impairment

Freehold Property

An impairment loss of £9,903 was recognised in the previous year in respect of the damage to the North Light building. The amount of impairment loss included in the statement of financial activities is £Nil (2022 - £9,903). The impairment loss is included in expenditure on charitable activities.

	Leasehold Land & Buildings £	Plant and machinery £	Equipment £	Freehold Property £	Total £
	50,000	196,133	115,220	5,551,268	5,912,621
	-	-	10,844	-	10,844
	50,000	196,133	126,064	5,551,268	5,923,465
	4,028	134,243	47,296	539,950	725,517
	511	19,613	11,169	105,967	137,260
	4,539	153,856	58,465	645,917	862,777
	45,461	42,277	67,599	4,905,351	5,060,688
	45,972	61,890	67,924	5,011,318	5,187,104

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Charity

	Equipment £	Freehold Property £	Total £
Cost			
At 1 April 2022	43,114	303,142	346,256
Additions	<u>7,425</u>	<u>-</u>	<u>7,425</u>
At 31 March 2023	<u>50,539</u>	<u>303,142</u>	<u>353,681</u>
Depreciation			
At 1 April 2022	37,487	31,832	69,319
Charge for the year	<u>3,515</u>	<u>864</u>	<u>4,379</u>
At 31 March 2023	<u>41,002</u>	<u>32,696</u>	<u>73,698</u>
Net book value			
At 31 March 2023	<u>9,537</u>	<u>270,446</u>	<u>279,983</u>
At 31 March 2022	<u>5,627</u>	<u>271,310</u>	<u>276,937</u>

All freehold property, with a carrying value of £270,446 (2022: £271,310) is pledged as security for the bank loan that Krowji Limited have in place. Further details at note 16.

Impairment

Freehold Property

An impairment loss of £9,903 was recognised in the previous year in respect of the damage to the North Light building. The amount of impairment loss included in the statement of financial activities is £Nil (2022 - £9,903). The impairment loss is included in expenditure on charitable activities.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

13 Fixed asset Investments

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
Krowji Limited	United Kingdom	Ordinary	100%	receives rental income from a property that it leases from the Charity
Cornwall Arts Marketing Limited	United Kingdom	Ordinary	100%	receives income from the publishing of website and magazine listings within Cornwall
Screen Cornwall Limited	United Kingdom	Ordinary	100%	to develop the screen industries in Cornwall to build a strong and thriving production sector

Subsidiaries

The profit for the financial period of Krowji Limited was £58,397 and the aggregate amount of capital and reserves at the end of the period was £(40,255).

The profit for the financial period of Cornwall Arts Marketing Limited was £23,294 and the aggregate amount of capital and reserves at the end of the period was £(19,649).

The loss for the financial period of Screen Cornwall Limited was £9,384 and the aggregate amount of capital and reserves at the end of the period was £21,897.

The address of the registered office for all subsidiaries is: Krowji, West Park, Redruth, Cornwall TR15 3AJ.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Charity

	2023 £	2022 £
Shares in group undertakings and participating interests	201	201

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2022	201	201
At 31 March 2023	201	201
Net book value		
At 31 March 2023	201	201
At 31 March 2022	201	201

14 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	50,252	33,499	31,830	7,566
Grants Receivable	510,984	470,734	510,984	470,734
Due from group undertakings	-	-	515,633	460,810
Prepayments	56,206	25,011	13,036	7,860
Other debtors	51,011	22,530	3,355	6,904
	<u>668,453</u>	<u>551,774</u>	<u>1,074,838</u>	<u>953,874</u>

15 Cash and cash equivalents

Balances held by the charity that are not available for use by the charity

During the year, the Charity received funds of £386,249 (2022 - £444,999) on behalf of other delivery partners within the Cultivator project. The Charity paid £408,823 (2022 - £422,425) of these funds to the delivery partners before the year end. The balance of funds held as agent at the year end was £nil (2022: £22,574).

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

16 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	49,029	55,436	-	-
Trade creditors	100,227	125,835	66,312	89,669
Other loans	400,000	400,000	-	-
Other taxation and social security	45,737	44,532	12,998	21,348
Accruals	116,219	101,868	46,566	56,132
Deferred income	202,806	414,574	65,207	258,396
Other creditors	43,420	42,389	5,686	7,496
	<u>957,438</u>	<u>1,184,634</u>	<u>196,769</u>	<u>433,041</u>

Creditors due within one year includes the following liabilities on which security has been given by the Group:

	Group		Charity
	2023	2022	2023
	£	£	£
Bank Loans	49,029	55,436	-
Other Loans	<u>400,000</u>	<u>400,000</u>	-
	<u>449,029</u>	<u>455,436</u>	-

The bank loan is secured by means of a first legal mortgage over the land of Krowji Limited and Creative Kernow Limited and a first fixed charge on all land and properties owned by Krowji Limited and Creative Kernow Limited. It is also secured by means of a first fixed charge on all present and future goodwill of any business carried out by or on behalf of Creative Kernow Limited on the mortgaged property.

The other loan is secured by means of a second legal mortgage over the leasehold land and property of Krowji Limited.

Deferred income Charity

	2023
	£
Deferred income at 1 April 2022	710,519
Resources deferred in the period	60,156
Amounts released from previous periods	<u>(258,395)</u>
Deferred income at 31 March 2023	<u>512,280</u>

Group

	2023
	£
Deferred income at 1 April 2022	3,934,126
Resources deferred in the period	110,778
Amounts released from previous periods	<u>(414,572)</u>
Deferred income at 31 March 2023	<u>3,630,332</u>

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

17 Creditors: amounts falling due after one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Bank loans	879,635	922,257	-	-
Deferred income	<u>3,427,526</u>	<u>3,519,552</u>	<u>447,073</u>	<u>452,123</u>
	<u>4,307,161</u>	<u>4,441,809</u>	<u>447,073</u>	<u>452,123</u>

Creditors amounts falling due after more than one year includes the following liabilities on which security has been given by the group:

	Group		Charity
	2023 £	2022 £	2023 £
Bank Loans	<u>879,635</u>	<u>922,257</u>	<u>-</u>

The bank loan is secured by means of a first legal mortgage over the land of Krowji Limited and Creative Kernow Limited and a first fixed charge on all land and properties owned by Krowji Limited and Creative Kernow Limited. It is also secured by means of a first fixed charge on all present and future goodwill of any business carried out by or on behalf of Creative Kernow Limited on the mortgaged property.

Group

Included in the creditors are the following amounts due after more than five years:

	2023 £	2022 £
After more than five years by instalments	<u>634,488</u>	<u>683,132</u>

Borrowings due after five years

The amounts due after more than five years by instalments relate to the bank loan. The nominal interest rate is 2.5% over the UK base rate, and the final instalment is due on 17 July 2036. Repayments are made monthly.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

18 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Land and buildings				
Within one year	12,000	7,833	-	-
Between one and five years	4,333	10,500	-	-
	<u>16,333</u>	<u>18,333</u>	<u>-</u>	<u>-</u>
Other				
Within one year	513	513	513	513
Between one and five years	256	769	256	769
	<u>769</u>	<u>1,282</u>	<u>769</u>	<u>1,282</u>

19 Income under lease arrangements

Operating lease commitments

Total future minimum lease payments receivable under non-cancellable operating leases as lessor are as follows:

	Group		Charity
	2023 £	2022 £	2023 £
Land and buildings			
Within one year	5,000	833	-
Between one and five years	833	-	-
	<u>5,833</u>	<u>833</u>	<u>-</u>

Krowji Limited is party to a leasing arrangement in relation to a community building which is leased from Cornwall Council and leased on to a third party. The head lease and sub lease agreements, involving Krowji as lessee and lessor, are on the same terms. Therefore, corresponding lease commitments and lease liabilities are included in these financial statements.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

20 Provisions

Group

	Deferred Taxation £	Total £
At 1 April 2022	17,872	17,872
Charged to the statement of recognised gains and losses	<u>32,958</u>	<u>32,958</u>
At 31 March 2023	<u>50,830</u>	<u>50,830</u>

Provisions are made up of deferred taxation, provided for at 25% (2022: 19%).

21 Funds

Group

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
<i>General</i>					
Unrestricted	437,918	1,746,934	(1,111,516)	6,143	1,079,479
Restricted funds					
Restricted	<u>406,327</u>	<u>1,928,637</u>	<u>(2,020,427)</u>	<u>(6,143)</u>	<u>308,394</u>
Total funds	<u>844,245</u>	<u>3,675,571</u>	<u>(3,131,943)</u>	<u>-</u>	<u>1,387,873</u>

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
<i>General</i>				
Unrestricted	505,097	1,050,429	(1,117,608)	437,918
Restricted funds				
Restricted	<u>254,261</u>	<u>2,068,274</u>	<u>(1,916,208)</u>	<u>406,327</u>
Total funds	<u>759,358</u>	<u>3,118,703</u>	<u>(3,033,816)</u>	<u>844,245</u>

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Charity

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
General					
General	600,941	1,052,063	(489,732)	6,143	1,169,415
Restricted funds					
Carn to Cove Locomotor	3,009	-	(464)	-	2,545
Carn to Cove Villages in Action - Headley Trust Donation	5,000	-	-	-	5,000
Piano Go Round	2,316	(956)	(1,360)	-	-
Inn Crowd	1,814	1,690	(602)	-	2,902
Jaw Jaw	150	-	-	-	150
C-Fylm - Cultivator	476	-	-	-	476
C-Fylm - International Women	926	-	-	-	926
C2C C-Fylm Watershed FAN Fund	-	4,971	-	-	4,971
C2C Symphony of the Countryside	1,777	-	-	-	1,777
C2C Culture Recovery Grant	7,728	5,044	-	-	12,772
C2C - C-Fylm Crowdfunder	3,330	-	-	-	3,330
C2C Kickstart	716	-	-	-	716
C2C - C-Fylm Green Week	4,054	1,000	(25)	-	5,029
C2C - Cobweb - Redruth	1,049	-	(703)	-	346
C2C - TK Music Lab	20,000	(1,648)	(18,352)	-	-
British Film Institute - Cinema Equipment Package	56	-	-	-	56
FEAST Year 9	2,753	-	-	(2,753)	-
FEAST Year 10	10,712	-	-	(10,712)	-
FEAST Year 11	6,746	-	-	(6,746)	-
FEAST Year 12	12,783	-	(1,083)	(235)	11,465
FEAST Year 13	32,514	-	(3,946)	-	28,568
FEAST Year 14	24,892	-	(28,096)	5,740	2,536
FEAST Year 15	-	63,237	(53,626)	34,558	44,169
FEAST Bright Sparks	4,347	-	-	(4,347)	-
FEAST Gamechanger	10,609	41,208	(51,453)	-	364
FEAST Bill's Attic	258	6,105	(11,086)	-	(4,723)
FEAST Cornwall Community Foundation	160	-	(50)	(110)	-
FEAST Cornwall Comm Foundation Covid Emergency Fund	6,405	10,000	(6,546)	110	9,969
FEAST Redruth HSHAZ	2,084	-	-	-	2,084
FEAST Kresen Kernow Commissioning	2,500	-	-	(2,500)	-
FEAST Redruth Unlimited	27,883	14,182	(26,079)	(10,000)	5,986

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
FEAST Shout LOUDER	5,005	-	(2,000)	(3,005)	-
FEAST Arts Lab	52,787	55,203	(107,641)	-	349
FEAST Fun Palaces	-	5,780	(3,954)	-	1,826
FEAST Arts Lab 2	-	63,746	(33,646)	-	30,100
Cultivator	-	1,299,899	(1,299,771)	-	128
NFASP	23,843	-	(2,784)	-	21,059
The Tamara Project Commission 22/23	-	1,651	(1,651)	-	-
G7	40,832	-	(13,522)	-	27,310
Krowji Fire - Phoenix Fund	34,439	-	-	-	34,439
Tresorys Kernow	-	116,920	(110,828)	(6,143)	(51)
Total restricted funds	<u>353,953</u>	<u>1,688,032</u>	<u>(1,779,268)</u>	<u>(6,143)</u>	<u>256,574</u>
Total funds	<u>954,894</u>	<u>2,740,095</u>	<u>(2,269,000)</u>	<u>-</u>	<u>1,425,989</u>

There have been transfers between the various FEAST project funds, where surplus funds from ceased projects have been transferred to other projects in line with the terms of the respective agreements.

There has also been a transfer between the General reserve and the Tresorys Kernow project fund, in respect of capitalised items that no longer had restrictions placed on their use following the end of the project.

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The specific purposes for which the funds are to be applied are as follows:

The Locomotor/Villages in Action project has been set up to secure the future of the rural touring network in South Devon and co-ordinate international touring companies in the South West region. It will also explore new ways of delivering activity in rural venues, including developing new partnerships and digital innovations.

The C-Fylm Cultivator grant is a capital grant to buy new film equipment for the community film club project.

Piano Go Round is a fund-raising project to enable the purchase of a concert grand piano and lift to allow for touring to Carn to Cove venues around Cornwall. A one off concert was programmed to launch the project and it will be developed further in the future.

Inn Crowd - we are a delivery partner for a project to enable pubs and licensed premises to put on live, professional performances. This will develop audiences and provide support for publicans who are interested in expanding their offer to customers.

International women is a series of films programmed in partnership with Cornwall Womens Centre to develop audiences in hard to reach groups with a season of female focussed films.

C-Fylm Green Week - we received a grant from the British Film Institute to run a week of film screenings to raise awareness of climate emergency.

Carn to Cove Cobweb, Redruth - Cobweb Tours providing support for C2C shows in Redruth.

FEAST is a substantial ongoing programme commissioning and distributing a wide range of great art to villages and towns across Cornwall.

The Bright Sparks fund is designed to encourage collaborations between artists and museums in order to build museums' audiences and volunteer base.

Game Changer is an ESF, Big Lottery funded programme to help people aged 15-25 not in education, employment or training to access one of these options. Creative Kernow co-ordinates opportunities for young people with artist led workshops and with other creative sector businesses.

Bill's Attic is a unique artist residency and cultural meeting space at Krowji, which holds the collections of Bill Mitchell as a source of creative inspiration. Funds to date have been raised from the public and future income will be raised from hire of the space.

Cornwall Community Foundation has granted FEAST additional funds to add to the total FEAST grants pot. Every £1 of CCF grant is matched by FEAST and put towards supporting a creative project in the community.

Redruth Unlimited - Redruth Unlimited is funded by Historic England as part of the High Street Heritage Action Zone in partnership with Cornwall Council (who receive the grant from Historic England). Projects can apply to FEAST for projects that bring culture to Redruth high street areas.

Shout Louder - a specific grants round for artists to respond to climate emergency and 'shout louder' to decision makers at COP26 in Glasgow.

Arts Lab - commissioning artists to deliver art projects in schools and alternative education settings to tackle mental wellbeing. Funding from Headstart programme via Cornwall Council.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Cultivator - a programme of skills and business support for Cornwall's creative and cultural sectors, supporting small businesses, sole traders and freelancers. Funded by the European Regional Development Fund, the European Social Fund, Arts Council England and Cornwall Council.

The NFASP funds relate to a Legacy Fund Agreement arising from the winding up of the National Federation of Artists' Studio Providers Ltd in January 2018. The remaining company funds were transferred to Creative Kernow to be managed as a restricted fund so that some of NFASP's sector support role could continue.

G7 - funding from Cornwall Council to deliver the G7 summit cultural legacy programme. Included grants to artists and film screening equipment supplied to community centres.

Krowji Fire Phoenix Fund - fund to support post-fire recovery. Includes donations from individuals, Real Ideas Organisation and Cornwall Community Foundation. The Arts Council also provided an emergency grant of £35k towards this.

All other restricted funds have been received for specific activities and projects and have been expended on the activities for which they were received.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
General				
General	685,730	443,803	(528,592)	600,941
Restricted funds				
Carn to Cove Locomotor	52,141	33,188	(82,320)	3,009
Carn to Cove Villages in Action - Headley Trust Donation	5,000	-	-	5,000
Piano Go Round	3,496	80	(1,260)	2,316
Inn Crowd	1,250	1,110	(546)	1,814
Jaw Jaw	150	-	-	150
C-Fylm - Cultivator	476	-	-	476
C-Fylm - International Women	926	-	-	926
C2C Symphony of the Countryside	1,815	-	(38)	1,777
C2C Tin Coast	1,682	-	(1,682)	-
C2C Culture Recovery Grant	9,510	-	(1,782)	7,728
C2C - C-Fylm Crowdfunder	3,330	-	-	3,330
C2C - Scops Arts Trust (R)	4,000	-	(4,000)	-
C2C Kickstart	-	716	-	716
C2C - C-Fylm Green Week	-	5,054	(1,000)	4,054
C2C - Cobweb - Redruth	-	2,000	(951)	1,049
C2C - TK Music Lab	-	20,000	-	20,000
British Film Institute - Cinema Equipment Package	56	-	-	56
FEAST Year 9	5,253	-	(2,500)	2,753
FEAST Year 10	10,712	-	-	10,712
FEAST Year 11	6,746	-	-	6,746
FEAST Year 12	19,299	-	(6,516)	12,783
FEAST Year 13	62,475	-	(29,961)	32,514
FEAST Year 14	-	68,002	(43,110)	24,892
FEAST Bright Sparks	4,347	-	-	4,347
FEAST Gamechanger	-	18,245	(7,636)	10,609
FEAST Bill's Attic	1,545	4,065	(5,352)	258
FEAST Cornwall Community Foundation	160	-	-	160
FEAST Cornwall Comm Foundation Covid Emergency Fund	350	10,000	(3,945)	6,405
FEAST Redruth HSHAZ	5,650	2,900	(6,466)	2,084
FEAST Kresen Kernow Commissioning	500	2,650	(650)	2,500
FEAST Redruth Unlimited	-	44,000	(16,117)	27,883
FEAST Shout LOUDER	-	30,000	(24,995)	5,005
FEAST Arts Lab	-	61,725	(8,938)	52,787
Cultivator	(2,465)	1,405,962	(1,403,497)	-
NFASP	23,891	-	(48)	23,843
G7	-	129,720	(88,888)	40,832
Krowji Fire - Phoenix Fund	-	85,159	(50,720)	34,439

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Tresorys Kernow	-	26,450	(26,450)	-
Total restricted funds	<u>222,295</u>	<u>1,951,026</u>	<u>(1,819,368)</u>	<u>353,953</u>
Total funds	<u>908,025</u>	<u>2,394,829</u>	<u>(2,347,960)</u>	<u>954,894</u>

22 Analysis of net assets between funds

Group	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	5,060,688	-	5,060,688
Current assets	1,258,508	384,106	1,642,614
Current liabilities	(881,726)	(75,712)	(957,438)
Creditors over 1 year	(4,307,161)	-	(4,307,161)
Provisions	<u>(50,830)</u>	<u>-</u>	<u>(50,830)</u>
Total net assets	<u>1,079,479</u>	<u>308,394</u>	<u>1,387,873</u>

23 Charges

A first fixed charge is held by Triodos Bank over the assets of the Group in respect of a mortgage and loan in place with Krowji Limited for which security has been given. The total amount of borrowings at 31 March 2023 is £928,664 (2022: £977,693). The proportion of group assets charged is 18% (2022: 19%).

A secondary charge is held by Percy Williams and Sons Limited over the assets of Krowji Limited in respect of a long term loan for which security has been given. A balance of £400,000 at 31 March 2023 (2022: £400,000) is included in other loans due within one year. The proportion of group assets charged is 8% (2022: 8%).

24 Contingent assets

The NPO programme is a multi-year grant that provides for the expenditure of the grant to be for future periods. The income in respect of future periods has therefore not been included in the current year accounts. The grant is a 3-year grant to March 2026 to receive £216,588 per year.

25 Guarantees

Creative Kernow Limited has provided a guarantee to Triodos Bank on the legal mortgage taken out by its subsidiary, Krowji Limited. If Krowji Limited were to default on the mortgage repayments, Creative Kernow Limited would be liable to pay the amounts on the subsidiary's behalf.

26 Operating lease with subsidiary

Creative Kernow Limited has leased land and property to its subsidiary, Krowji Limited, under a longhold lease agreement in October 2013. The lease is for 99 years. The lease was issued with a lease premium of £500,000 to be paid, and annual peppercorn rent.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

27 Related party transactions

Group

Mr P R Williams

(the company secretary and a key employee of Krowji Limited, prior to his resignation on 30 November 2020)
Mr P R Williams had power of attorney for Krowji Limited during the year for the sole purpose of executing underleases and tenancies of parts of the property of Krowji Limited. The power of attorney was revoked on 21 February 2023. At the balance sheet date the amount due to/from Mr P R Williams was £Nil (2022 - £Nil).

Dr F C Wotton

(the company secretary and a key employee of Krowji Limited)
Dr F C Wotton had power of attorney for Krowji Limited during the year for the sole purpose of executing underleases and tenancies of parts of the property of Krowji Limited. At the balance sheet date the amount due to/from Dr F C Wotton was £Nil (2022 - £Nil).

Mrs E A Harris

(key employee of Krowji Limited)
Mrs E A Harris had power of attorney for Krowji Limited during the year for the sole purpose of executing underleases and tenancies of parts of the property of Krowji Limited. At the balance sheet date the amount due to/from Mrs E A Harris was £Nil (2022 - £Nil).

Mr S P Harvey

(director of Screen Cornwall Limited)
Mr S P Harvey received honorarium for services provided in the year totalling £75 (2022: £nil) in accordance with the provisions of the governing document of the company. At the balance sheet date the amount due to/from Mr S P Harvey was £Nil (2022 - £Nil).

Charity

During the year the charity made the following related party transactions:

Krowji Limited

(subsidiary of Creative Kernow Limited)

Rent payable to Krowji Limited for the use of property during the year, total amount paid during the year of £18,357 (2022 - £15,967).

Hire of meeting rooms payable to Krowji for the use of rooms on an ad hoc basis during the year, total amount paid during the year of £7,221 (2022 - £394).

Supply of labour and materials from Krowji for remedial repair works carried out during the year, total amount paid during the year of £1,872 (2022: £nil). Rent receivable from Krowji Limited for the lease of property, total amount received during the year of £100 (2022 - £100).

Creative Kernow Limited has provided a loan to Krowji Limited. Interest is charged on the loan, total interest receivable during the year of £18,397 (2022 - £10,280). The loan amount outstanding from Krowji Limited at the balance sheet date is included in the intercompany balances within creditors due under one year. At the balance sheet date the amount due from Krowji Limited was £383,000 (2022 - £383,000).

Cornwall Arts Marketing Limited

(subsidiary of Creative Kernow Limited)

Cornwall Arts Marketing Limited provided advertising services throughout the year. Total amount paid during the year of £2,099 (2022 - £3,018). At the balance sheet date the amount due to/from Cornwall Arts Marketing Limited was £Nil (2022 - £201).

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Screen Cornwall Limited

(subsidiary of Creative Kernow Limited)

Screen Cornwall Limited incurred project costs which were reimbursed by Creative Kernow Limited throughout the year. Total amount paid during the year of £nil (2022 £5,500).

The charity provided Screen Cornwall Limited with the provision of services throughout the year totalling £5,100 (2022 £467). At the balance sheet date the amount due to/from Screen Cornwall Limited was £Nil (2022 - £Nil).

28 Control

The group was controlled by the Trustees who are also the Directors throughout the current year. Refer to the previous year's report for a full list of members serving during that period.

29 Non adjusting events after the financial period

Each of the group companies are to be in receipt of Cornwall and Isles of Scilly Good Growth Shared Prosperity Funds. These are multi-year grants that provide for the expenditure of the grants to be for future periods. The income in respect of future periods has therefore not been included in the current year accounts.

The Creative Kernow grant is a multi-year grant, with the company receiving funds of up to £327,500 in total from 1 May 2023 to 31 March 2025.

The Krowji grant is a multi-year grant, with the company receiving funds of up to £382,819 in total from 1 April 2023 to 31 March 2025.

The Cornwall Arts Marketing grant is a multi-year grant, with the company receiving funds of up to £182,200 in total from 1 July 2023 to 31 March 2025.

The Screen Cornwall grant is a multi-year grant, with the company receiving funds of up to £395,650 in total from 1 April 2023 to 31 March 2025.

Krowji Limited received an advance of £400,000 for a new loan with Triodos Bank in July 2023. Immediately following this, the company settled in full the Percy Williams & Sons Limited loan that had a carrying value of £400,000 at the balance sheet date.

Krowji Limited has agreed with its insurance providers to receive £147,431 in respect of claims made following the fire in the North Light building in May 2021. This sum was agreed in October 2023.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Charity Statement of Financial Activities for the Year Ended 31 March 2023

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	337,577	1,671,552	2,009,129	2,237,683
Charitable activities	5	80,083	16,480	96,563	140,420
Investment income		28,368	-	28,368	16,726
Insurance proceeds	6	606,035	-	606,035	-
Total Income		<u>1,052,063</u>	<u>1,688,032</u>	<u>2,740,095</u>	<u>2,394,829</u>
Expenditure on:					
Charitable activities		<u>(489,732)</u>	<u>(1,779,268)</u>	<u>(2,269,000)</u>	<u>(2,347,960)</u>
Total Expenditure		<u>(489,732)</u>	<u>(1,779,268)</u>	<u>(2,269,000)</u>	<u>(2,347,960)</u>
Net income/(expenditure)		562,331	(91,236)	471,095	46,869
Transfers between funds		<u>6,143</u>	<u>(6,143)</u>	-	-
Net movement in funds		568,474	(97,379)	471,095	46,869
Reconciliation of funds					
Total funds brought forward		<u>600,941</u>	<u>353,953</u>	<u>954,894</u>	<u>908,025</u>
Total funds carried forward	21	<u>1,169,415</u>	<u>256,574</u>	<u>1,425,989</u>	<u>954,894</u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2022 is shown in note 21.