

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 2022

Walker Moyle Ltd
3 Chapel Street
Redruth
Cornwall
TR15 2BY

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Creative Kernow Limited

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Creative Kernow Limited

Reference and Administrative Details

Chief Executive Officer	Fiona Catherine Wotton
Trustees	John Alfred Pulford Dinah Louise Graffy (resigned 9 August 2021) Simon Paul Harvey (resigned 19 October 2022) William Kim Conchie (resigned 9 August 2021) Eleanor Jubb Ajay Chhabra Amanda Berry Tamara Bedford Jonathan Mark Bray (appointed 24 March 2022) Hannah Marie Irwin (appointed 24 March 2022) James Sculthorp-Wright (appointed 24 March 2022) Charlotte Emma June Somers (appointed 6 October 2022) Paul Springer (appointed 25 February 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 2022. 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

Dinah Louise Graffy (resigned 9 August 2021)

Simon Paul Harvey (resigned 19 October 2022)

William Kim Conchie (resigned 9 August 2021)

Eleanor Jubb

Ajay Chhabra

Amanda Berry

Tamara Bedford

Jonathan Mark Bray (appointed 24 March 2022)

Hannah Marie Irwin (appointed 24 March 2022)

James Sculthorp-Wright (appointed 24 March 2022)

Charlotte Emma June Somers (appointed 6 October 2022)

Paul Springer (appointed 25 February 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 2021/22 Creative Kernow Limited had three wholly-owned subsidiary companies which, at the discretion of trustees and directors and based on the financial position of the company, may gift-aid the majority of profits to the charity each year. Their activities during the year are covered as part of the report below.

Krowji Limited is a company limited by shares, number 05420248, and wholly owned by Creative Kernow. It has a board of directors - Greg Oldrieve, Dinah Graffy (resigned 09/08/2021), Daiman Baker (resigned 25/08/2022), Chris Hibbert (resigned 09/09/2021) and Jonathan Mark Bray (appointed 25/08/2022). 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 Limited is a company limited by shares, number 04346555, and wholly owned by Creative Kernow. It has a board of directors - John Pulford (Chair) and Dinah Graffy (resigned 09/08/2021). 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 Limited is a company limited by shares, number 11881973, and wholly owned by Creative Kernow. It has a board of directors - Philippa Giles (Chair), Dinah Graffy (resigned 01/09/2021), Simon Harvey and Johnny Fewings. 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 for England and Wales.

Summary

This group report covers the financial year from April 2021 to March 2022. 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
- **Cornwall 365 What's On** - the comprehensive events listing website platform and printed magazine for Cornwall which works in partnership with C365 Network.

Creative Economy support

- **Cultivator** - providing skills, networking, investment, export, and other creative business development opportunities for the sector
- **Cornwall 365 Network** - promoting Cornwall as a year-round sustainable creative destination through the C365 What's On and cultural tourism consultancy
- **Screen Cornwall** - supporting the growth of the film industry in Cornwall through services to production companies and talent development programmes

Creative Hub development

- **Krowji** - Cornwall's largest creative hub and workspace cluster in Redruth
- Offering support to emerging creative hubs and place making projects
- We manage and nourish numerous creative networks e.g. The Cornwall Festivals Network, Cornwall Design Forum

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 2021 and March 2022, and it is divided into our separate delivery strands: Creative Communities, Creative Economy, and Creative Hub Development.

Creative Communities

The impact of the Covid-19 pandemic continued to be significant for all Creative Kernow's programmes and outputs as it was for the wider cultural and creative sector. The staging of productions and performances continued to experience disruptions due to concerns on audience safety at events and our adherence to government guidelines. Together Carn to Cove and C Fylm saw the cancellation of two performances, two productions, and five screenings. The 30% reduced capacity for those events that were able to go ahead resulted in a loss of income of £10,500 during this period.

Nevertheless, Carn to Cove managed to deliver 94 performances and 39 productions which enjoyed an overall audience number of 4,875, and three live online shows for which there were 158 audience members. Carn to Cove celebrated its 20th anniversary in Autumn 2021 with a short film and dedicated live performance, and the resulting Autumn season saw 41 live events take place, including a trailblazing new work with a young company Troubadour Stageworks in new community venues and delivering pre-event workshops to primary schools. Scottish Dance Theatre visited with their show Antigone, Interrupted as part of the Rural Touring Dance initiative, a Carn to Cove partner. Hosted in Tolmen Centre, Sir Nicholas Serota (Arts Council Chairman) attended and subsequently wrote to Carn to Cove to thank them for having hosted the performance.

Other highlight Carn to Cove performances included two recitals by Bournemouth Symphony Orchestra, a double bill of Blacklist/Fig Leaf by crump dancer Joshua Nash during which the Studio 4 Dance youth group carried out the curtain call, an online performance of Vår: The Story Of Hveror by a Norwegian artist and composer duo, and Circus Around and About.

C Fylm's in-person screenings gradually recommenced from May 2021 onwards, with events in 36 community venues throughout Cornwall. C Fylm hosted the Behind the Postcard film with 23 simultaneous screenings. The community film network also joined The Great Big Green Week for September 2021, and screened films about the environment, sustainability, and the natural world across Cornwall. A litter-picking sound walk in Redruth kicked off the week during which C Fylm screened 2040, Before the Flood, I Am Greta, More Than Honey, The Biggest Little Farm, and Wild Cornwall - Out on the Edge. Ian McCarthy, director of Wild Cornwall, joined for a Q&A after the screening of his film.

Between April 2021 and March 2022, FEAST invested £214,300 into 131 artists who were commissioned to deliver projects throughout Cornwall. 16 artists' residencies were also supported through FEAST.

Through the G7 Kernow Legacy Programme, FEAST was allocated £30,000, with which they launched the Shout Louder campaign for COP26 and commissioned 12 artists to send their powerful message, in whichever medium or format they chose, to the international environmental summit in Glasgow in November 2021.

The pilot year of Arts Lab began in 2021, a wellbeing programme in partnership with Arts Well and funded through Headstart Arts of Cornwall Council and the National Lottery Heritage Fund. Designed for young people aged 10 - 16 in educational settings and youth groups throughout Cornwall, artists were commissioned by FEAST to carry out creative activity with young people according to what the young people had requested themselves. While the activity did not fall within the last reporting period (April 21 - March 22), the Arts Lab impact report to cover February - August 2022 is available to read here: <https://feastcornwall.org/arts-lab/>

Creative Kernow Limited

Trustees' Report

Creative Kernow partnered with Cornwall Museums Partnership to deliver Tresorys Kernow, a pilot project which utilised the Community Renewal Fund to demonstrate how culture and heritage can lead regeneration in 10 towns and villages in partnership with communities in the context of Covid recovery and climate adaptation. Using £100,000 of allocated funding, FEAST commissioned 38 culture-led projects from January to June 2022 in St Austell, Saltash, Lostwithiel, Newquay and Penzance. While the delivery of activity once again fell outside of the reporting period, the post-June learning was that this programme of activity called for the adapting of the FEAST process. The criteria, commission call, and selection panels were uniquely adapted to and owned by the residents of those towns. Also new to the FEAST process was specific liaison with local cultural leaders whom we named 'Pollinators'. These Pollinators developed confidence and skills as they took the lead in commissioning work for their communities and adopted new methodology to take forward into future project delivery.

Through Redruth Unlimited, part of the High Street Heritage Action Zone scheme which is working towards the heritage-led regeneration of Redruth with the help of a £1.6 million grant from Historic England, FEAST commissioned projects such as the Strength in Feathers Journal which is a writing for wellbeing project and Agents 4 Change which engages young local people in designing the future of Redruth.

FEAST supported a successful bid to secure Scott Fletcher's further digitisation and virtual reality interpretation of Bill's Attic in a project costing £75,750 with a plan to hand over digital assets to Creative Kernow's ownership once the project is complete. The physical space is hosted at Krowji's Old Schoolhouse and is a facsimile of the late Wildworks' Theatre director Bill Mitchell's attic which contained around 4,000 artefacts and now acts a workspace in which artists can take up residencies through FEAST.

Carn to Cove, C Fylm, and FEAST formed a new collaborative model called 'The Hive' to develop an integrated approach to delivering the Creative Communities strand of work.

Creative Economy Support

The current ERDF and ESF funding for the Cultivator programme comes to an end in 2023, with project delivery for both strands ending on 30th June 2023. It is hoped that Cornwall Council's UK Shared Prosperity Fund programme (the Good Growth Programme) will enable funding for some version of the Cultivator programme.

The Cultivator programme has remained relevant to the needs of creative industries SMEs, including providing more networking opportunities and support throughout the Covid-19 pandemic. There is evidence that due to the pandemic, clients have demanded 'softer' support such as support with confidence and wellbeing. Business support tailored specifically to the needs of creative enterprises is particularly crucial for emerging creative talent and for heritage organisations. In addition, the fact that Cultivator supports networking and collaboration across subsectors is important for stimulating growth in the region. During this year, we have also seen the successful delivery of two cohorts of the Creative and Cultural Leadership Development programme, in partnership with our Delivery partner the University of Plymouth.

The visual arts category continues to make up almost one third of all clients. Businesses in the craft and film and TV sector make up a reasonable portion of those supported, with graphic and product design businesses well represented. Gains have been made in the number of clients from the performance and music sector. A smaller proportion of clients are from media publishing and communications, galleries and museums, and fashion and textiles.

The project is performing well in all activity areas, and the project is progressing well against both our internal targets and those set by ESF and ERDF. Since the difficulties experienced in the last reporting period due to Covid-19, most programme activities have managed to recover and make excellent progress. 68% of clients have accessed more than one strand, showing the value for clients in being able to access different activities on the programme.

The 'Future of Cultivator' survey was circulated to all Cultivator clients in October 2021 and was designed to explore data which would inform the programme's future design post EU funding. The report identified that those strands of the Cultivator offer most valued by clients are:

- One-to-one advice business and skills advice sessions with Creative Business Advisor
- Individual Skills Grant programme
- Skills events
- Creative Investment Grant programme
- Networking

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Trustees' Report

Cornwall 365 worked on four elements of Tresorys Kernow, as What's On promoted TK funded events in the ten towns, 365 Network held a series of tourism, event, and sustainability Skills Sessions funded by Cultivator, a second pilot of In The Loop, a data collection and analysis prototype, was run, and Cornwall 365 led on the TK communications.

Cornwall 365 Network commenced research around mapping Cornish Intangible Cultural Heritage, a piece of work commissioned by Cornwall Council. Together with Hannah Irwin and Emily Sorrel, Project Manager Bethany Lyne also worked on the Network of Networks action research project as part of the Creative and Cultural Leadership Development Programme run by Cultivator and the University of Plymouth. The project proposed to investigate the varied formal and informal networks for creatives, artists, and cultural organisations across Cornwall and the wider South West region.

Cornwall 365 collaborated with the EXPERIENCE project to lead sessions to facilitate collaboration between businesses to seize the potential longer-term opportunities of year-round visitor experiences in the Penzance area. EXPERIENCE is an ERDF and Cornwall Council funded project involving six areas of the Channel region to promote experiential tourism and sustainable economic growth during the quieter autumn and winter months.

Screen Cornwall grew its activity significantly in its third year, and the last with core funding from Council/LEP. The team have built on existing partnerships through further work with BFI and Creative UK. The landowner and a locations database has grown, as has the crew database. Also we have invested significant time in working with creative talent (writers/directors/producers) through the Peninsula Producers Network and New Writers Network. Working in partnership with Cultivator, a further supported six limited companies were awarded Screen Growth Development Funding. These businesses, and writers from BBC Cornish Voices, were showcased at London event for stakeholders in December alongside our presence at FOCUS production show.

Commissions were driven by the G7 cultural programme, with Behind the Postcard involving collaborations right across the sector and reaching significant audiences online and through a community premiere in partnership with C Fylm. Drawing on Cornwall's unique creative ecology, the short 'Behind The Postcard' film (produced by Screen Cornwall) involved 32 writers, 25 community workshops, more than 300 workshop participants, over 65 performers, over 30 creative professionals and four lead delivery organisations working the length and breadth of Cornwall from the Isles of Scilly to Bude and the Rame Peninsula. The film was dedicated to all those working in the creative, cultural and heritage sectors whose livelihoods have been affected by the pandemic, and commissioned by Cornwall Council in partnership with Cabinet Office, Arts Council England and National Heritage Lottery Fund.

Six further standalone film commissions were awarded to emerging talent, as well as the usual School of Film & TV graduate shorts and FylmK awards, making it our busiest commissioning year to date. The Cornish-language Fylm K project Mowes entered the Cornwall Film Festival and, along with An Tarow, was selected for Babel Film Festival for indigenous languages hosted in Sardinia. Another Fylm K film Kestav was selected for Miami International Science Fiction Film Festival. The 2021 commission went to Edward Rowe's Mab Hudel which as of March 2022 was in post-production. Finally, Screen Cornwall supported the LEP in its bid for Cornwall to become City of Culture in 2025.

The Screen Cornwall Impact Report covers activity from April 2019 - March 2022 and is available to read here: <https://www.screencornwall.com/news-events/screen-cornwall-impact-report>

Creative Hub Development

Krowji suffered a devastating fire in May 2021 losing 15 studios and the Creative Kernow offices. Creative Kernow took its camaraderie to new levels with every member of the team mucking in to do what they could to help, not only on the day but the weeks and months that followed. There was an overwhelming amount of help and support from the local community - over £20k was raised for the artists through JustGiving which was then matched by the Cornwall Community Foundation and RIO to total £50k. The Krowji team kept in daily contact with the tenants worst affected by the fire, making a studio available for them to meet together and involving them in Open Studios events and other opportunities. By the end of the year they had all been offered an alternative studio. Krowji also increased levels of communication across the site as all tenants were impacted by the fire, not least due to the need for restricted studio access for a period of time, and fortunately this helped to prevent the need for any rental discounts.

Over the course of the year the Krowji team worked tirelessly to meet the compliancy requirements laid out by the fire service and following an inspection in February 2022 the site was signed off. In December 2021 Krowji held its first Christmas Open Studios event in two years, receiving an unprecedented level of press coverage as a result of the interest in the fire and good visitor numbers including many who hadn't been to Krowji before.

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The effects of Covid and the fire compounded pre-existing financial concerns for the business and six months into the financial year Krowji was also experiencing significant staffing changes. The decision was taken to reduce the office-based team from 3.4 to 2.4 FTE posts and to increase the rents by 10% on 1st April 2022. Despite these changes occupancy levels continued to increase from 82% in April 2021 (a low rate due to the opening of Phase 2 in November 2020) and reached 93% in March 2022. The percentage of potential rental income received averaged 94% across the year and increased to 98% in March 2022. The Yard maintained 98-100% occupancy throughout the year.

The number of studio enquiries received this year was 148 (an increase from 113 enquiries last year) with an application rate of 43%. A total of 145 creative and cultural individuals and businesses rented a studio at Krowji this year and in the annual tenant survey for 2021 Krowji achieved 98% tenancy satisfaction out of 51 responses.

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.

This year we embarked on a major partnership project with Cornwall Museums' Partnership which concluded in the summer of 2022. As well as being an opportunity to work more closely with a key sector support organisation and NPO, the project Tresorys Kernow is testing the use of Community Renewal funding for culture led regeneration. Community Renewal Fund is the pilot for the Shared Prosperity Fund which replaces European Structural Funds post Brexit.

The Krowji team continues to offer advice, guidance and support to other emerging creative hubs around Cornwall in line with our vision of a network of creative workspace clusters; Krowji operates the Cornwall Studio Finder listings, currently displaying some 32 other studio providers right across Cornwall. We continue to act as the UK lead contact for the National Federation of Artists' Studio Providers, but this is now usually restricted to telephone support backed up by the NFASP online resource library.

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 CLOS 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

The Creative Kernow group ended the year with a surplus of £84,887, made up of a deficit of £67,179 on unrestricted funds and a surplus on restricted funds of £152,066. Our unrestricted reserves have decreased to £437,918, with total funds held by the group at the year-end standing at £844,245. The level of free reserves for the charity at 31 March 2022 is £324,004 and £240,089 for the group.

Charity turnover in the year was £2,394,829 in comparison with £1,744,185 in the 2020/21 financial year. The significant disruption to business due to the Krowji fire did not impact on delivery of activity or income generation. Two largescale short term projects - G7 Cultural Programme and Tresorys Kernow (which continues into 2022/23) created opportunities for Creative Kernow, Cornwall Arts Marketing and Screen Cornwall to develop new areas of work which will support longer term strategic plans.

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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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

Following last year's deficit position Krowji Limited had a robust plan in place to reduce costs and manage operations with a smaller staff team alongside a 10% increase to rents. These strategies were at times challenging, particularly following the fire and the need to provide additional support to the artists affected. Effective communication and tenant liaison helped maintain strong occupancy figures and Krowji also benefited from Coronavirus Job Retention Scheme grants of £1,222 and COVID Business Rates Relief of £24,000 in the year. Krowji Limited ended the year with a pre-tax profit of just over £27,000.

Cornwall Arts Marketing Limited benefited from an increase in revenue in 2021/22 as event producers were back in business and using Cornwall 365 to advertise their events following the relaxation of Covid restrictions. The company was also able to access grant funding to research and develop new revenue streams linked to data via the In the Loop prototype. Cornwall Arts Marketing generated a small pre-tax profit of just over £8,000.

Screen Cornwall Limited grew turnover by 38% in the year thanks to an increase in work following the pandemic and in particular grant funding from Cornwall Council and the G7 programme. Screen Cornwall ended the year with a pre-tax profit of just under £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. In view of the nature of the organisation, the directors benchmark senior staff salaries against levels in other enterprises in the region of a similar size run on a voluntary basis and they believe that our salary levels are similar to those in such organisations.

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;
- 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.

Following the easing of coronavirus restrictions from May 2021 onwards the specific risk assessment relating to staff health and welfare was updated throughout the year in response to changing government guidance.

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. The securing of another 3 years of funding from Arts Council and Cornwall Council from 2023-26 is, along with the progress of four applications for the UK Shared Prosperity Fund, reassuring - see "Looking ahead" below.

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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

The outlook with regard to public funding for the organisation is a mixed picture. We were delighted to secure a four year funding agreement with Cornwall Council (2022-26) and to successfully re-join the Arts Council National Portfolio of funded organisations from (2023-26). All of this funding is directed towards Creative Communities activity.

The announcement of the Good Growth funding programme for Cornwall and the Isles of Scilly, which is distributing the UK Shared Prosperity Fund, offered opportunities for all four Creative Kernow group companies to apply. All four applications were passed to the next stage and we anticipate beginning work on these projects in April 2023. Of particular note is that the fund provides 2 years of core funding costs for Screen Cornwall which allows the team to focus on their strategic role for the screen sector without taking on additional project work.

Of concern is the failure to secure ongoing funding for the Cultivator programme. In February 2023, Cornwall Council invited expressions of interest for organisations to deliver business support which Cultivator have responded to. We await further details of the call for applications and the size of the investment pot. At present our funding from ESF and ERDF will end in end in July 2023 and we are preparing staff for the likelihood of redundancies.

Creative Kernow and Krowji will be embarking on a small-scale capital project to replace the 15 artist studios destroyed in the 2021 fire. Our insurer Aviva have released part of the final settlement for the loss of the building and we have begun discussions with a landscape architect to design the layout of a modular solution to inform our pre-planning application. Demand for workspace is still strong and we hope to open some of the new spaces in the autumn of 2023.

Trustees and senior staff have been reviewing the group structure to identify options for improvement to support trading and governance. We have been supported by Counter Culture Ltd in these considerations and a trustee/staff task and finish group is overseeing the completion of this review and developing a timeline for agreeing options and implementation.

We relaunched our advertising for a new Chair of Trustees for Creative Kernow in February 2023 and hope to appoint a successor to John Pulford in May. Our initial campaign resulted in the appointment of Professor Paul Springer who was due to be elected as Chair at this AGM. Due to unforeseen circumstances Paul is relocating his work to London and unable to commit to the Chair role but Trustees were pleased to appoint him as a Trustee without office.

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.

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.

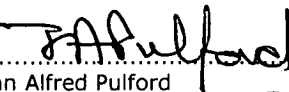
Creative Kernow Limited

Trustees' Report

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 27.3.23 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 27-3-23 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 2022, 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 2022 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 11], 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 (including CJRS compliance), 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.
- Reviewing payroll records to test whether Coronavirus Job Retention Scheme funding being claimed was appropriate.
- 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.

Creative Kernow Limited

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

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.

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: 28th March 2023

Creative Kernow Limited

Consolidated Statement of Financial Activities for the Year Ended 31 March 2022 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted funds £	Restricted funds £	Total 2022 £	(As restated) Total 2021 £
	Note				
Income and Endowments from:					
Donations and legacies	3	326,146	1,911,537	2,237,683	1,705,954
Commercial trading operations		622,057	117,248	739,305	678,647
Investment income	4	1,295	-	1,295	1,365
Charitable activities	5	100,931	39,489	140,420	21,774
Total Income		<u>1,050,429</u>	<u>2,068,274</u>	<u>3,118,703</u>	<u>2,407,740</u>
Expenditure on:					
Commercial trading operations		(599,596)	(96,840)	(696,436)	(689,578)
Charitable activities	6	<u>(518,012)</u>	<u>(1,819,368)</u>	<u>(2,337,380)</u>	<u>(1,621,480)</u>
Total Expenditure		<u>(1,117,608)</u>	<u>(1,916,208)</u>	<u>(3,033,816)</u>	<u>(2,311,058)</u>
Net (expenditure)/income		<u>(67,179)</u>	<u>152,066</u>	<u>84,887</u>	<u>96,682</u>
Net movement in funds		(67,179)	152,066	84,887	96,682
Reconciliation of funds					
Total funds brought forward		<u>505,097</u>	<u>254,261</u>	<u>759,358</u>	<u>662,676</u>
Total funds carried forward	20	<u><u>437,918</u></u>	<u><u>406,327</u></u>	<u><u>844,245</u></u>	<u><u>759,358</u></u>

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

The funds breakdown for 2021 is shown in note 20.

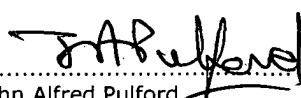
Creative Kernow Limited

(Registration number: 1727731) Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £	(As restated) 2021 £
Fixed assets			
Tangible assets	11	5,187,104	5,312,485
Current assets			
Debtors	13	551,774	660,553
Cash at bank and in hand	14	<u>749,682</u>	<u>405,289</u>
		1,301,456	1,065,842
Creditors: Amounts falling due within one year	15	<u>(1,184,634)</u>	<u>(1,018,212)</u>
Net current assets		<u>116,822</u>	<u>47,630</u>
Total assets less current liabilities		5,303,926	5,360,115
Creditors: Amounts falling due after more than one year	16	(4,441,809)	(4,589,274)
Provisions	19	<u>(17,872)</u>	<u>(11,483)</u>
Net assets		<u>844,245</u>	<u>759,358</u>
Funds of the group:			
Restricted funds		406,327	254,261
Unrestricted income funds			
Unrestricted funds		<u>437,918</u>	<u>505,097</u>
Total funds	20	<u>844,245</u>	<u>759,358</u>

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 16 to 48 were approved by the trustees, and authorised for issue on 27.3.23 and signed on their behalf by:


John Alfred Pulford
Trustee

Creative Kernow Limited

(Registration number: 1727731) Balance Sheet as at 31 March 2022

	Note	2022 £	(As restated) 2021 £
Fixed assets			
Tangible assets	11	276,937	286,376
Investments	12	<u>201</u>	<u>201</u>
		<u>277,138</u>	<u>286,577</u>
Current assets			
Debtors	13	953,874	1,011,021
Cash at bank and in hand		<u>609,046</u>	<u>304,072</u>
		1,562,920	1,315,093
Creditors: Amounts falling due within one year	15	<u>(433,041)</u>	<u>(236,471)</u>
Net current assets		<u>1,129,879</u>	<u>1,078,622</u>
Total assets less current liabilities		1,407,017	1,365,199
Creditors: Amounts falling due after more than one year	16	<u>(452,123)</u>	<u>(457,174)</u>
Net assets		<u><u>954,894</u></u>	<u><u>908,025</u></u>
Funds of the charity:			
Restricted funds		353,953	222,295
Unrestricted income funds			
Unrestricted funds		<u>600,941</u>	<u>685,730</u>
Total funds	20	<u><u>954,894</u></u>	<u><u>908,025</u></u>

The financial statements on pages 16 to 48 were approved by the trustees, and authorised for issue on 27.3.23 and signed on their behalf by:



 John Alfred Purford
 Trustee

Creative Kernow Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net income		84,887	96,682
Adjustments to cash flows from non-cash items			
Depreciation		135,779	105,867
Investment income	4	(1,295)	(1,365)
Impairment loss on disposal of fixed assets held for the group's own use		<u>9,903</u>	<u>-</u>
		229,274	201,184
Working capital adjustments			
Decrease/(increase) in debtors	13	108,779	6,906
(Decrease)/increase in creditors	15, 16	172,757	874,987
(Decrease)/increase in provisions	19	<u>6,389</u>	<u>3,125</u>
Net cash flows from operating activities		<u>517,199</u>	<u>1,086,202</u>
Cash flows from investing activities			
Interest received on bank deposits	4	95	165
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	11	<u>(20,301)</u>	<u>(1,277,440)</u>
Net cash flows from investing activities		<u>(19,006)</u>	<u>(1,276,075)</u>
Cash flows from financing activities			
Value of new loans obtained during the period		-	200,000
Repayment of loans and borrowings	15, 16	<u>(153,800)</u>	<u>(52,232)</u>
Net cash flows from financing activities		<u>(153,800)</u>	<u>147,768</u>
Net increase/(decrease) in cash and cash equivalents		344,393	(42,105)
Cash and cash equivalents at 1 April		<u>405,289</u>	<u>447,394</u>
Cash and cash equivalents at 31 March		<u><u>749,682</u></u>	<u><u>405,289</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 2022

	Note	2022 £	(As restated) 2021 £
Cash flows from operating activities			
Net income		46,869	112,862
Adjustments to cash flows from non-cash items			
Depreciation		3,773	3,715
Investment income		(16,726)	(16,457)
Impairment loss on disposal of fixed assets held for the charity's own use		<u>9,903</u>	<u>-</u>
		43,819	100,120
Working capital adjustments			
(Increase)/decrease in debtors	13	57,147	(187,104)
Increase/(decrease) in creditors	15, 16	<u>191,519</u>	<u>(59,073)</u>
Net cash flows from operating activities		<u>292,485</u>	<u>(146,057)</u>
Cash flows from investing activities			
Interest receivable and similar income		16,726	16,457
Purchase of tangible fixed assets	11	<u>(4,237)</u>	<u>(3,240)</u>
Net cash flows from investing activities		<u>12,489</u>	<u>13,217</u>
Net increase/(decrease) in cash and cash equivalents		304,974	(132,840)
Cash and cash equivalents at 1 April		<u>304,072</u>	<u>436,912</u>
Cash and cash equivalents at 31 March		<u><u>609,046</u></u>	<u><u>304,072</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 2022

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 2022.

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 2022

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 £437,918. 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 2022

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 2022

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	Depreciation method and rate
Freehold buildings	Straight line basis over 50 years
Equipment	Straight line basis over 4 years
Plant and machinery	Straight line basis over 10 years
Leasehold land and buildings	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

No provision is made in respect of freehold land.

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 2022

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 2022

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 2022

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	2022	2021
	General			
	£	£	£	£
Grants				
Carn to Cove - Cornwall Council	16,650	-	16,650	16,650
Carn to Cove - Devon District Councils	-	-	-	19,830
Carn to Cove - Arts Council	85,000	6,319	91,319	95,400
Carn to Cove - Other	-	41,701	41,701	55,041
FEAST - Cornwall Council	-	203,141	203,141	64,475
FEAST - Arts Council	95,000	-	95,000	100,000
FEAST - ESF	-	-	-	37,979
FEAST - Other	-	12,500	12,500	12,500
Cultivator	78,479	1,405,962	1,484,441	975,333
Other Projects - Cornwall Council	4,233	129,720	133,953	44,233
Other Projects - Arts Council	36,588	35,000	71,588	36,588
Other Projects - Other	9,099	26,450	35,549	222,211
Donations				
Carn to Cove - Donations	978	-	978	9,831
FEAST - Donations	-	586	586	15,844
Other Donations	119	50,158	50,277	39
	<u>326,146</u>	<u>1,911,537</u>	<u>2,237,683</u>	<u>1,705,954</u>

4 Investment income

	Unrestricted funds	Total	Total
	General	2022	2021
	£	£	£
Interest receivable and similar income;			
Interest received on bank deposits	95	95	165
Rent receivable	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>
	<u>1,295</u>	<u>1,295</u>	<u>1,365</u>

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

5 Income from charitable activities

	Unrestricted funds			
	General	Restricted	Total	Total
	£	funds	2022	2021
		£	£	£
Carn to Cove	44,408	12,099	56,507	6,436
Miscellaneous	56,523	27,390	83,913	15,338
	<u>100,931</u>	<u>39,489</u>	<u>140,420</u>	<u>21,774</u>

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

6 Expenditure on charitable activities

	Basis of Allocation	FEAST	Carn to Cove	Carn to Cove Projects	Cultivator	Other Projects	Governance	2022 Total	2021 Total
Direct Costs									
Staff Costs	Direct	77,959	121,315	29,203	486,544	97,365	2,145	814,531	703,458
Other Costs	Direct	184,036	62,889	46,173	865,535	135,235	-	1,293,868	829,474
Publicity	Direct	1,180	725	1,521	-	1,645	-	5,071	3,778
Recruitment	Direct	-	-	-	-	-	-	-	5,765
Travel	Direct	185	3,258	616	5,515	578	-	10,152	1,539
Audit fee	Direct	-	-	-	-	8,862	12,492	21,354	12,456
Total direct costs:		447,396	251,076	123,686	2,223,129	378,920	14,637	2,144,976	2,385,944
Support Costs									
Premises	Floor area	4,962	119	2,533	6,714	62,629	-	76,957	18,565
Legal and professional	Usage	-	-	13	-	2,379	-	2,392	48
Consultancy	Usage	-	-	8,750	90	17,346	-	26,186	150
Office expenses	Usage	5,926	4,904	4,768	10,405	46,832	131	72,966	42,531
Bank charges and interest	Usage	-	-	-	-	227	-	227	-
Depreciation	Usage	-	-	-	-	3,773	-	3,773	3,716
Impairment loss on disposal of fixed assets held for the group's own use	Usage	-	-	-	-	9,903	-	9,903	-
Total support costs:		10,888	5,023	16,064	17,209	143,089	131	192,404	65,010
		458,284	256,099	139,750	2,240,338	522,009	14,768	2,337,380	2,450,954

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Included within expenditure on charitable activities 'other costs' on the previous page is grant funding to third party individuals under the Cultivator project, FEAST project and Emergency grants paid to tenants of Krowji impacted by the fire. The total grant funding of activities during the year was £959,178 (2021 - £248,145).

7 Government grants

Government grants recognised in the financial statements are made up of funds from Cornwall Council, Devon District Councils, 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 £3,941 in the year.

The amount of grants recognised in the financial statements was £495,405 (2021 - £249,184).

Additional government grants of £90,007 (2021 - £137,851) are recognised in the consolidated financial statements, received by trading subsidiaries. Included in the above is £1,222 received in respect of Coronavirus Job Retention Scheme grants.

8 Net incoming/outgoing resources

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

	2022 £	2021 £
Operating lease rentals	513	513
Auditors' remuneration	17,000	12,500
Other accountancy services	23,547	12,106
Impairment loss on disposal of fixed assets held for the group's own use	9,903	-
Depreciation of fixed assets	<u>135,779</u>	<u>105,867</u>

9 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 2022

10 Group Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	935,604	865,710
Social security costs	73,441	65,730
Pension costs	26,235	24,368
Other staff costs	<u>37,150</u>	<u>2,299</u>
	<u>1,072,430</u>	<u>958,107</u>

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

	2022 No	2021 No
Charitable Activities	<u>39</u>	<u>35</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 £56,161 (2021 - £63,569).

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

11 Tangible fixed assets

Group

	Leasehold Land & Buildings £	Plant and machinery £	Equipment £	Freehold Property £	Total £
Cost					
At 1 April 2021	50,000	196,133	94,919	5,551,268	5,892,320
Additions	-	-	20,301	-	20,301
At 31 March 2022	<u>50,000</u>	<u>196,133</u>	<u>115,220</u>	<u>5,551,268</u>	<u>5,912,621</u>
Depreciation					
At 1 April 2021	3,518	114,683	37,416	424,218	579,835
Charge for the year	510	19,560	9,880	105,829	135,779
Impairment	-	-	-	9,903	9,903
At 31 March 2022	<u>4,028</u>	<u>134,243</u>	<u>47,296</u>	<u>539,950</u>	<u>725,517</u>
Net book value					
At 31 March 2022	<u>45,972</u>	<u>61,890</u>	<u>67,924</u>	<u>5,011,318</u>	<u>5,187,104</u>
At 31 March 2021	<u>46,482</u>	<u>81,450</u>	<u>57,503</u>	<u>5,127,050</u>	<u>5,312,485</u>

Impairment

Freehold Property

An impairment loss of £9,903 was recognised in respect of the damage to the North Light building. The amount of impairment loss included in the statement of financial activities is £9,903 (2021 - £Nil). The impairment loss is included in expenditure on charitable activities.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Charity

	Equipment £	Freehold Property £	Total £
Cost			
At 1 April 2021	38,877	303,142	342,019
Additions	<u>4,237</u>	<u>-</u>	<u>4,237</u>
At 31 March 2022	<u>43,114</u>	<u>303,142</u>	<u>346,256</u>
Depreciation			
At 1 April 2021	34,447	21,196	55,643
Charge for the year	3,040	733	3,773
Impairment	<u>-</u>	<u>9,903</u>	<u>9,903</u>
At 31 March 2022	<u>37,487</u>	<u>31,832</u>	<u>69,319</u>
Net book value			
At 31 March 2022	<u>5,627</u>	<u>271,310</u>	<u>276,937</u>
At 31 March 2021	<u>4,430</u>	<u>281,946</u>	<u>286,376</u>

All freehold property, with a carrying value of £271,310 (2021: £281,946) 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 respect of the damage to the North Light building. The amount of impairment loss included in the statement of financial activities is £9,903 (2021 - £Nil). The impairment loss is included in expenditure on charitable activities.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

12 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 £20,938 and the aggregate amount of capital and reserves at the end of the period was £(98,651).

The profit for the financial period of Cornwall Arts Marketing Limited was £8,106 and the aggregate amount of capital and reserves at the end of the period was £(42,843).

The profit for the financial period of Screen Cornwall Limited was £8,977 and the aggregate amount of capital and reserves at the end of the period was £31,281.

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 2022

Charity

	2022 £	2021 £
Shares in group undertakings and participating interests	<u>201</u>	<u>201</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2021	<u>201</u>	<u>201</u>
At 31 March 2022	<u>201</u>	<u>201</u>
Net book value		
At 31 March 2022	<u>201</u>	<u>201</u>
At 31 March 2021	<u>201</u>	<u>201</u>

13 Debtors

	Group (As restated)		Charity (As restated)	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	33,499	18,068	7,566	6,461
Grants Receivable	470,734	612,206	470,734	460,883
Due from group undertakings	-	-	460,810	516,556
Prepayments	25,011	20,603	7,860	19,460
Other debtors	<u>22,530</u>	<u>9,676</u>	<u>6,904</u>	<u>7,661</u>
	551,774	660,553	953,874	1,011,021

14 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 £444,999 (2021 - £216,875) on behalf of other delivery partners within the Cultivator project. The Charity paid £422,425 (2021 - £177,339) of these funds to the delivery partners before the year end. The balance of funds held as agent at the year end was £22,574 (2021 - £39,536).

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

15 Creditors: amounts falling due within one year

	Group (As restated)		Charity (As restated)	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	55,436	53,800	-	-
Trade creditors	125,835	29,802	89,669	18,975
Other loans	400,000	500,000	-	-
Other taxation and social security	44,532	28,970	21,348	17,045
Accruals	101,868	47,498	56,132	12,000
Deferred income	414,574	329,996	258,396	187,894
Other creditors	42,389	28,146	7,496	557
	<u>1,184,634</u>	<u>1,018,212</u>	<u>433,041</u>	<u>236,471</u>

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

	Group		Charity
	2022	2021	2022
	£	£	£
Bank Loans	55,436	53,800	-
Other Loans	<u>400,000</u>	<u>500,000</u>	-
	<u>455,436</u>	<u>553,800</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

	2022
	£
Deferred income at 1 April 2021	645,068
Resources deferred in the period	253,345
Amounts released from previous periods	<u>(187,894)</u>
Deferred income at 31 March 2022	<u>710,519</u>

Group

	2022
	£
Deferred income at 1 April 2021	3,941,577
Resources deferred in the period	322,545
Amounts released from previous periods	<u>(329,996)</u>
Deferred income at 31 March 2022	<u>3,934,126</u>

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

16 Creditors: amounts falling due after one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Bank loans	922,257	977,693	-	-
Deferred income	3,519,552	3,611,581	452,123	457,174
	<u>4,441,809</u>	<u>4,589,274</u>	<u>452,123</u>	<u>457,174</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
	2022 £	2021 £	2022 £
Bank Loans	<u>922,257</u>	<u>977,693</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:

	2022 £	2021 £
After more than five years by instalments	<u>683,132</u>	<u>745,627</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 2022

17 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	
	2022 £	2021 £	2022 £	2021 £
Land and buildings				
Within one year	7,833	7,833	-	-
Between one and five years	10,500	17,500	-	-
	<u>18,333</u>	<u>25,333</u>	<u>-</u>	<u>-</u>
Other				
Within one year	513	513	513	513
Between one and five years	769	1,281	769	1,281
	<u>1,282</u>	<u>1,794</u>	<u>1,282</u>	<u>1,794</u>

18 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
	2022 £	2021 £	2022 £
Land and buildings			
Within one year	<u>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.

19 Provisions

Group

	Deferred Taxation £	Total £
At 1 April 2021	11,483	11,483
Charged to the statement of recognised gains and losses	<u>6,389</u>	<u>6,389</u>
At 31 March 2022	<u>17,872</u>	<u>17,872</u>

Provisions are made up of deferred taxation, provided for at 19% (2021: 19%).

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

20 Funds

Group

	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>

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds					
<i>General</i>					
Unrestricted	424,732	987,435	(911,067)	3,997	505,097
Restricted funds					
Restricted	<u>237,944</u>	<u>1,420,305</u>	<u>(1,399,991)</u>	<u>(3,997)</u>	<u>254,261</u>
Total funds	<u>662,676</u>	<u>2,407,740</u>	<u>(2,311,058)</u>	<u>-</u>	<u>759,358</u>

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Charity

	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

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
G7	-	129,720	(88,888)	40,832
Krowji Fire - Phoenix Fund	-	85,159	(50,720)	34,439
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><u>908,025</u></u>	<u><u>2,394,829</u></u>	<u><u>(2,347,960)</u></u>	<u><u>954,894</u></u>

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

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.

Jaw Jaw is a pilot digital project to connect people who are isolated and lonely with professional artists to take part in a series of online participative workshops using Facebook Portal devices.

BFI neighbourhood cinema provides support to the running costs and expansion of the C-Fylm project to allow new communities to form film clubs and screen regular films at a subsidised rate.

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 2022

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 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds					
General					
General	585,994	437,146	(336,317)	(1,093)	685,730
Restricted funds					
Carn to Cove Locomotor	73,058	19,022	(39,939)	-	52,141
Carn to Cove Villages in Action - Headley Trust Donation	5,000	-	-	-	5,000
Piano Go Round	3,136	360	-	-	3,496
Inn Crowd	-	1,250	-	-	1,250
Jaw Jaw	-	6,960	(6,810)	-	150
C-Fylm - Cultivator	981	-	(505)	-	476
C-Fylm - International Women	926	-	-	-	926
C2C Space Project	-	-	(96)	96	-
C2C Symphony of the Countryside	-	3,550	(1,735)	-	1,815
C2C Tin Coast	-	1,800	(118)	-	1,682
C2C Culture Recovery Grant	-	15,400	(5,890)	-	9,510
C2C - C-Fylm Crowdfunder	-	3,330	-	-	3,330
C2C - Scops Arts Trust (R)	-	4,000	-	-	4,000
British Film Institute - Cinema Equipment Package	279	-	(223)	-	56
FEAST Year 9	7,753	-	(2,500)	-	5,253
FEAST Year 10	12,712	-	(2,000)	-	10,712
FEAST Year 11	6,846	-	(100)	-	6,746
FEAST Year 12	58,381	-	(39,082)	-	19,299
FEAST Year 13	-	62,475	-	-	62,475
FEAST Bright Sparks	4,437	-	(90)	-	4,347
FEAST Cornwall AONB Celebrations	5,975	-	(6,000)	25	-
FEAST Gamechanger	-	37,979	(38,343)	364	-
FEAST Bill's Attic	947	13,120	(12,522)	-	1,545
FEAST Cornwall Community Foundation	3,150	-	(2,990)	-	160
FEAST Cornwall Comm Foundation Covid Emergency Fund	-	5,000	(4,650)	-	350
FEAST Redruth HSHAZ	-	9,650	(4,000)	-	5,650
FEAST Kresen Kernow Commissioning	-	2,000	(1,500)	-	500
Core ACE grant for Krowji Phase 2	-	214,020	(214,020)	-	-
Cornwall 365	403	-	(403)	-	-
Cultivator	1,175	907,123	(910,763)	-	(2,465)
NFASP	24,010	-	(119)	-	23,891
G7	-	-	(10)	10	-
Donations	-	-	(598)	598	-

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Total restricted funds	<u>209,169</u>	<u>1,307,039</u>	<u>(1,295,006)</u>	<u>1,093</u>	<u>222,295</u>
Total funds	<u>795,163</u>	<u>1,744,185</u>	<u>(1,631,323)</u>	<u>-</u>	<u>908,025</u>

21 Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	5,187,104	-	5,187,104
Current assets	621,229	680,227	1,301,456
Current liabilities	(910,734)	(273,900)	(1,184,634)
Creditors over 1 year	(4,441,809)	-	(4,441,809)
Provisions	<u>(17,872)</u>	<u>-</u>	<u>(17,872)</u>
Total net assets	<u>437,918</u>	<u>406,327</u>	<u>844,245</u>

22 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 2022 is £977,693 (2021: £1,031,493). The proportion of group assets charged is 19% (2021: 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 2022 (2021: £500,000) is included in other loans due within one year. The proportion of group assets charged is 8% (2021: 9%).

23 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.

24 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 2022

25 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 (2021 - £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 £15,967 (2021 - £12,143).

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 £394 (2021 - £290).

Rent receivable from Krowji Limited for the lease of property, total amount received during the year of £100 (2021 - £100).

Creative Kernow Limited has provided a loan to Krowji Limited. Interest is charged on the loan, total interest receivable during the year of £10,280 (2021 - £9,941). 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 (2021 - £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 £3,018 (2021 - £3,884)

The charity provided Cornwall Arts Marketing Limited with the provision of services in the prior year. No such transactions took place in the current year (2021 - £6,458). At the balance sheet date the amount due to Cornwall Arts Marketing Limited was £201 (2021 - £3,736 due from).

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 £5,500 (2021 £Nil).

The charity provided Screen Cornwall Limited with the provision of services throughout the year totalling £467 (2021 £Nil). At the balance sheet date the amount due to/from Screen Cornwall Limited was £Nil (2021 - £Nil).

26 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.

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

27 Non adjusting events after the financial period

At the balance sheet date, the Percy Williams & Sons Limited loan with Krowji Limited with a carrying amount of £400,000 had a due date of 31 March 2023. Since the year end, the due date of the loan has been extended to 31 March 2024.

Insurance proceeds have been received post year end of £25,279 in July 2022 and £606,385 in February 2023, both in respect of claims made following the fire in the North Light building in May 2021. Full settlement negotiations remain ongoing.

28 Prior period adjustment

The comparatives shown in the financial statements for the year ended 31 March 2021 have been restated to correct the amounts of grants receivable (overstated by £157,358), deferred income (overstated by £78,679) and income from donations and legacies (overstated by £78,679).

Creative Kernow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Charity Statement of Financial Activities for the Year Ended 31 March 2022

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

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	(As restated) Total 2021 £
Income and Endowments from:					
Donations and legacies	3	326,146	1,911,537	2,237,683	1,705,954
Charitable activities	5	100,931	39,489	140,420	21,774
Investment income		16,726	-	16,726	16,457
Total Income		443,803	1,951,026	2,394,829	1,744,185
Expenditure on:					
Charitable activities		(528,592)	(1,819,368)	(2,347,960)	(1,631,323)
Total Expenditure		(528,592)	(1,819,368)	(2,347,960)	(1,631,323)
Net (expenditure)/income		(84,789)	131,658	46,869	112,862
Net movement in funds		(84,789)	131,658	46,869	112,862
Reconciliation of funds					
Total funds brought forward		685,730	222,295	908,025	795,163
Total funds carried forward	20	600,941	353,953	954,894	908,025

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

The funds breakdown for 2021 is shown in note 20.