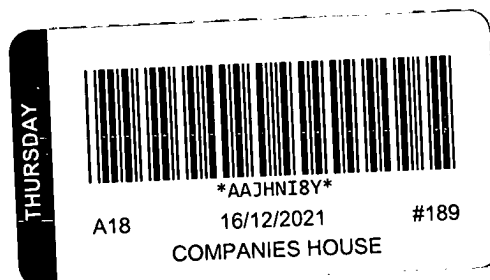


Company Registration Number: 04566484
Charity Registration Number: 1105174

CREATIVE FOLKESTONE
(A COMPANY LIMITED BY GUARANTEE)

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

Year ended 31 March 2021



CREATIVE FOLKESTONE

Strategic Report

For the year ended 31 March 2021

The Trustees, (who are also directors of the Charity for the purposes of the Companies Act) present their annual report together with the audited consolidated financial statements of Creative Folkestone for the year ended 31 March 2021.

The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". As Creative Folkestone is a company limited by guarantee, the report and statements also comply with the Companies Act 2006.

Pages 1 to 3 comprise the Strategic Report as required by company law, as well as providing the information required by SORP for the Trustees' Annual Report.

Reference and administrative details

Registered company number	04566484 (England and Wales)
Registered charity number	1105174 (England and Wales)
Registered office	Quarterhouse Mill Bay, Folkestone Kent CT20 1BN
Trustees	Sir Roger De Haan (Chair) Cathy Beare Lady Alison De Haan Sir Stephen Deuchar CBE Rachel Higham (Resigned 8 September 2020) Paul Hudson Andrew Ironside Timothy Llewellyn OBE (Retired 29 June 2020) Trevor Minter OBE DL The Earl of Radnor Vanessa Stone (Appointed 8 March 2021) Alastair Upton Grahame Ward
Chief Executive	Alastair D Upton
Deputy Chief Executive	Fiona J Kingsman
Company Secretary	Angela C Ludlow
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Solicitors	Withers LLP 16 Old Bailey, London EC4M 7EG
Bankers	NatWest Bank Folkestone Branch, Europa House 49 Sandgate Road Folkestone Kent CT20 1RU
Website	www.creativefolkestone.org.uk

CREATIVE FOLKESTONE

Strategic Report

For the year ended 31 March 2021

Objectives and activities

Established in 2002, Creative Folkestone is an arts charity dedicated to producing and enabling the very best creative activity to help transform Folkestone and the surrounding area of Kent. Working with the people of Folkestone, our partners and other stakeholders, we aim to make the town a better place to live, work, play, study and visit.

The Charity's objectives, as set out in the governing document, are "The fostering of knowledge and appreciation of art, music and literature; the relief of poverty by assisting individuals who are in need, in particular by assisting artists to become self-supporting through their art; the provision of facilities in the interests of social welfare for the inhabitants of Folkestone and the surrounding district; the promotion of regeneration in areas of social and economic deprivation."

Creative Folkestone believes that everyone is creative and that creativity has the power to change people and places for the better. With a passion for creativity at its heart, the Charity will enable people's creativity to flourish, enriching the town and those who live in, or visit it, and transform Folkestone's reputation.

All our Board and staff are committed to enabling the very best work to be created. We always appoint skilled and ambitious curators and programmers who are empathetic to art, artists, place and community. Creativity drives the goals we set ourselves in early 2012 and continue to guide the organisation:

- Goal 1: Creatively engage the people of Folkestone
- Goal 2: Creatively transform the look of Folkestone
- Goal 3: Creatively change the economy of Folkestone
- Goal 4: Change the reputation of Folkestone as a creative town
- Goal 5: Create a sustainable Creative Folkestone

A principal focus for the Charity in achieving these goals is the development of the Creative Quarter, in the historic old town area of Folkestone, through a process of property acquisition, refurbishment and letting. The Charity benefits from a collaboration with the Roger De Haan Charitable Trust (RDHCT), which shares many of the Charity's goals. Typically, RDHCT funds the acquisition and refurbishment costs of properties and after the renovation works are complete, leases them to the Charity on a long term basis at a peppercorn rent. Creative Folkestone then proceeds to let the refurbished property at affordable rates to artists, education providers and a wide range of creative organisations.

Creative Folkestone has a remarkable record of success having already transformed the most run down part of Folkestone. Around ninety buildings have been restored in the Creative Quarter and the area is populated by artists and creative industries and is home to education, study and research. We use the Quarterhouse, our performance venue that we built in 2008, to stage our annual Folkestone Book Festival and a full programme of music, theatre, dance and comedy. The area has been animated by four internationally acclaimed Folkestone Triennials when we commissioned site specific artworks to be exhibited in the public realm around the town. After each show we arranged for many of the exhibits to be added to Folkestone Artworks which have then been kept on permanent display with financial support provided by The Roger De Haan Charitable Trust. As the collection has grown, so has Folkestone's reputation as a unique destination for those who enjoy contemporary art.

The Charity continues to work with a range of public and private sector organisations on a number of strategically important initiatives which are helping us to have a profound regenerative impact on the community.

The creative transformation of Folkestone is being achieved through the five core projects developed and managed by Creative Folkestone: the Creative Quarter, Quarterhouse, Folkestone Book Festival, Folkestone Triennial and Folkestone Artwork all these initiatives are underpinned by our Learning and Engagement programme and our digital programme, Digital:glassworks.

CREATIVE FOLKESTONE

Strategic Report For the year ended 31 March 2021

Public benefit

The Charity's Trustees have complied with their duties under the Charities Act 2011 to have due regard to public benefit guidance (PB1, PB2 and PB3) published by the Charity Commission. They are aware of the public benefit requirement, its implications for charities and their duty to report how they have carried out the Charity's purposes for the public benefit, and take the public benefit guidance into account when making decisions.

The Charity's particular public benefit activities are included under Achievements and Performance. Our activities, particularly our Learning and Engagement work and co-produced festivals, are deeply embedding Creative Folkestone in the local community. Folkestone Triennial, and many other activities, are free of charge to the public.

The Charity continues to contribute to the overall social and economic regeneration of deprived areas in Folkestone through the advancement of the arts, culture, heritage and education and the establishment of a community of over 600 creative individuals and businesses.

Structure, governance and management

The Charity is a company limited by guarantee with no share capital, and a registered charity. The Charity's memorandum and articles of association are the primary governing documents of the Charity.

Creative Folkestone has a supportive Board of highly skilled and committed Trustees. During the year the Trustees were those set out on page 1. Trustees are also members of the Charity. The Trustees have complied with the duties described under the Charities Act 2011, and with proper regard to the guidance published by the Charity Commission.

The Creative Folkestone Board provides the statutory governance and also governance over artistic vision and quality. The Board is supported by four Sub Committees which oversee Management, Visual Arts, Performing Arts, Learning and Engagement and Creative Quarter Regeneration, and report back their recommendations to the main Board.

New Trustees are appointed by the Board. An induction process is carried out whereby the proposed Trustee is given a copy of the constitution, audited accounts and copies of trustee meeting minutes, together with the Charity Commission's published guidelines for charity trustees. The new Trustee is also given a detailed tour of the Creative Quarter and an introduction to all the projects being undertaken by the Charity.

Although there is no formal training policy in place, the Trustees are encouraged to participate in training programmes either through their principal employer or through participation in ad hoc training courses.

Key management personnel and pay policy

The Charity considers its key management personnel to be its Board of Trustees, the Chief Executive and the Deputy Chief Executive. The remuneration is set annually in accordance with the pay policy, with any changes taking effect from the 1st April each year. The Chief Executive and the Deputy Chief Executive are the only paid key management personnel. The pay policy for the Chief Executive and the Deputy Chief Executive is the same as for other staff.

This Strategic Report was approved by the Board of Trustees on 29th November 2021 and signed on their behalf by:



Sir Roger M De Haan – Chair of Trustees

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2021

Achievements and performance

Creative Folkestone overview

This financial year started with the Covid-19 pandemic hitting hard with an instant and catastrophic effect. Creative Folkestone immediately shut down and moved to remote working, closing our buildings to the public and our audiences.

We immediately assessed the situation and considered the huge impact the pandemic would have on the organisation. A new year plan and budget was drafted taking into account the newly arisen circumstances. We then moved swiftly to react and put plans in place.

Throughout the year we were able to maintain very high levels of activity in spite of Covid and all the restrictions it brought. This is a clear demonstration of organisational strength which allowed us to respond in a considered and appropriate way.

Reflecting on the year, we can see that Covid provided a stimulus for innovation and creativity in a time of great difficulty. We were fortunate in gaining some additional financial support which demonstrates Creative Folkestone's resilience and the strength of its business model.

In the first instance we supported Creative Quarter tenants, offering financial support, advice and signposting them towards available emergency funds. Despite initial grave concerns for our tenants and their businesses, as a result of our financial and business support and their own resilience, the majority were able to weather the storm and our occupancy remaining high throughout the year.

We streamlined our workforce making some positions redundant whilst other members of staff were placed on furlough.

Our planned performing and visual arts programme had to be completely revised and we worked hard to deliver an online programme for the first part of the year when there was a strict lockdown in place. We quickly made the decision to postpone Folkestone Triennial 2020 and Folkestone Book Festival 2020.

However, from September 2020 to the end of the calendar year, we developed an exceptional programme of performing and visual arts and community engagement through our Plinth Project, Autumn Reads and Christmas in the Quarter programmes. This was all delivered remotely but we were also able to safely engage with our local community directly, encouraging them to get out and about and enjoy the artworks, to 'get creative' and to appreciate their local environment.

From January 2021 we moved our focus to reopening Quarterhouse and to delivering the rescheduled Book Festival in June 2021 and Triennial in July 2021. We were also delighted to be able to offer space in the empty Quarterhouse to artists, creatives and designers to develop, experiment with and show their work through our development programme entitled *Open Sesame*.

Our digital endeavours accelerated exponentially with all programming, communications and marketing focussed on digital output. We offered a broad range of virtual activities online including book clubs, films, documentary screenings, comedy performances and educational activities. With additional funding from BBC Space R&D, we were able to upskill our technical and production staff to produce a virtual literary festival; Autumn Reads to celebrate the work of Derek Jarman. The festival included the commissioning and production of two original films. Appetite for digital content from our audiences grew with an increase of followers on all channels of between 40% and 50%.

In light of the Covid-19 emergency, Arts Council England (ACE) launched a number of measures to support the arts and culture sector. Creative Folkestone applied for the second round of the ACE Cultural Recovery Fund. We were informed that we had been successful with our application in September 2020 and were awarded £237,539 for the period from October 2020 to March 2021. The grant was to support a programme of engagement in the community during lockdown and to reopen Quarterhouse in a Covid safe way.

CREATIVE FOLKESTONE

Report of Trustees For the year ended 31 March 2021

In April 2020, ACE also offered help to National Portfolio Organisations (NPOs) by announcing a relaxation of their reporting requirements for the first six months of the year and offering advance payments. The planned application process for the next four-year grant round for 2022-2026 was postponed and the current portfolio extended for another year until 2023.

Activities for the EU Interreg North Sea Region programme, CUPIDO, were largely put on hold during the lockdown months. This three-year grant had brought together 16 partners from 7 countries to share their resources, knowledge and expertise for promoting the digitalisation of the cultural sector. Funding includes a contribution to the cost for the establishment of the digital hub digital:glassworks, the production of a digital artwork and provided support to SME's to adapt digital technologies to promote their businesses.

After careful consideration including the view of all 16 partners it was decided to apply for a 6-month project extension in April. This was granted by the EU and the project will now continue until the end of February 2022. The project gained momentum again in September 2020 with the start of virtual meetings during which the impact of the Covid-19 crises in the different countries was discussed as well as areas for future collaboration.

The Paul Hamlyn Foundation awarded a grant of £19,700 to support the digital adaptation of our Learning and Engagement Programme in response to the Covid-19 pandemic and contributed to the costs of *The Plinth*, *Autumn Reads* and *Christmas in the Quarter*. As a recipient of the grant we were also given paid-for support to develop an evaluation framework to assess the success of the adaption of these activities. The analysis will help us to identify, plan and manage new ways of delivering future programmes.

The Board of Trustees would like to express their appreciation for the continued generosity of its benefactors including Kent County Council (KCC), ACE, Folkestone and Hythe District Council (FHDC), EU Interreg North Sea Programme, Paul Hamlyn Foundation, Henry Moore Foundation, Cate Olson and Nash Robbins via the Rockefeller Philanthropy Fund and the BBC Space R&D Fund for their funding and in-kind assistance with the work of the charity.

The Board of Trustees would like to convey their special thanks to the Trustees of the Roger De Haan Charitable Trust (RDHCT) for their continued support for the work of Creative Folkestone.

The Board of Trustees would also like to express their appreciation for the dedication and hard work of both the Charity's staff and its committee members. Their flexibility and willingness to adapt to swiftly changing conditions due to the Covid-19 pandemic have made an invaluable contribution to what can only be described as an unprecedented and challenging year.

Creative Quarter

The Creative Quarter is the cultural heart of Folkestone where a community of over six hundred creative people live and work. It is made up of over ninety restored buildings that house residential flats, studios, offices and shops. The area is populated by artists and is home to many creative businesses and individuals who have created hundreds of jobs which has helped to rejuvenate the local economy.

The businesses in the Creative Quarter were hit hard by the restrictions of the Covid-19 pandemic as they had to close their shops and studios. Some had to decrease or even stop trading for most of the year. We were able to offer support to our tenants through rent reduction which helped many survive a year of little or no trading.

Enquiries for properties started to increase with the easing of Covid-19 restrictions and Creative Quarter occupancy at the end of March 2021 was at 93.9% excluding digital:glassworks, which was at 60.5%. A new digital:glassworks tenant moved in at the end of the year which has resulted in an increase in occupancy to about 85%.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2021

The Creative Quarter Phase III building work progressed during the period. The refurbishment of the two buildings in Tontine Street/Old High Street were completed by the Roger De Haan Charitable Trust in July and November 2020 respectively. The buildings were then leased to Creative Folkestone for a peppercorn rent. An additional bonus is that one of the buildings now displays Banksy's 'Art Buff' on its wall. Demand for the new residential properties has been high resulting in a swift uptake of all available flats and commercial space showed about 50% occupancy by the end of March 2021.

Work on the Mill Bay Cabins continues and is anticipated to be completed during financial year 2021/22. There has also been great interest in the rental space they will provide us and by the end of March 2021 all five residential flats and two of the four commercial spaces had been reserved by future tenants.

In July 2020 we officially launched a new project funded by the European Union. Under the umbrella of the *Hi3 Network*, five partners in the South East Local Enterprise Partner (SELEP) region successfully applied to the European Regional Development Fund to bring together SME's and university researchers skilled in applied research in the creative industries. The overall aim was to establish three *Innovation Hubs* in the South East and create a network of specialists experienced in the manipulation of screen-based images for film, television, gaming, advertising and corporate communication. One of the hubs will be based in digital:glassworks and part of the funding will support office costs for one of our partners, the media company Screen South. During the period refurbishment and adaptation works to convert office space into a studio, edit suites and co-working spaces has been completed which enabled Screen South to move in for the duration of the project.

At the beginning of the first lockdown, Creative Folkestone partnered with South East Creatives (SECCADS) to support local creatives to deliver a digital content programme. SECCADS is a European Union funded business support programme tailored to meet the needs of the cultural, creative and digital sector. It is headed by Thurrock Council and Creative Folkestone is one of four regional hubs in the South East which drives the local delivery of the programme.

During the first six months of 2020/2021, our marketing and communications team delivered a digital content programme to help businesses to use digital solutions to adapt to the lockdown restrictions. They supported the streaming of 13 talks via Facebook, which were then posted on the Creative Folkestone YouTube channel that attracted a total audience engagement of 16,274 clicks to view.

This led to the development of Tech Week in June 2020 that offered a week of online activity exploring digital ideas from the Creative Quarter and the wider artistic community. During Tech Week five webinars, with seven creative professionals, were hosted daily and the videos were streamed via Zoom on Facebook Live, then published on Creative Folkestone's YouTube channel. This programme of activity highlighted a new way of working for the organisation that will inform future communications and programming.

As lockdown restrictions started to ease at the end of the summer, the team focussed on supporting the shops, cafes and businesses in the which were reopening in the Creative Quarter. A short video was produced to reassure visitors and promote the safe reopening of the Creative Quarter. This video content was well received with over 1,000 views on Facebook alone.

At the beginning of December the lockdown restrictions changed again and the team swiftly adapted their marketing and communications to use our *Christmas in the Quarter* programme to keep promoting the Creative Quarter. Our main aim was to encourage people to shop local and to support the small businesses leading up to Christmas.

Throughout December a digital advent calendar was put in place that highlighted businesses and creatives in Folkestone.

Folkestone Artworks

Folkestone Artworks is the largest urban outdoor exhibition of contemporary art in the UK currently consisting of 74 artworks from 46 artists. The exhibition has grown over the years with new work added from Folkestone Triennial artworks.

Part of the Collection is owned by Creative Folkestone however much of it is owned by the Roger De Haan Charitable Trust. Other exhibits are loaned by the artists. The Roger De Haan Charitable Trust pays for the Collection's maintenance, its insurance and contributes to the costs of its co-ordinator.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2021

The exhibition has been a great asset during the Covid-19 pandemic as Folkestone residents and visitors were able to enjoy the outdoor artworks in a safe and pandemic compliant way.

During May and June a group of volunteers was established and trained to assist with looking after the artworks. A proposal was drawn up that set out the framework of the volunteering programme and provided a detailed description of the volunteer role. The opportunity was advertised on Creative Folkestone's website and was promoted through local news, websites and radio stations.

More than ten volunteers were recruited who were assigned to single artworks which they checked daily and report it's condition on a live log. Guided tours were organised for the volunteers to give them a chance to receive comprehensive information about the artworks. The volunteers also provided crucial support during *The Plinth* project as they shared their enthusiasm and knowledge with visitors when stationed at other designated artworks or Mark Dion's *Mobile Gull Appreciation Unit*. The Seagull was placed on the Harbour Arm and functioned as a temporary outdoor visitor centre for Creative Folkestone as Quarterhouse was closed as a result of the first lockdown.

We were delighted to welcome into the collection Banksy's *Art Buff* which was installed in September 2020 on The Old High Street.

Maintenance of the artworks has continued during the year as scheduled and renovations were carried out on Mark Wallinger's *Folk Stones*, Gary Woodley's *Impingement no 66 'Cube Circumscribed by Tetrahedron, Tetrahedron Circumscribed by Cube'*, Pablo Bronstein's *Beach Hut In The Style Of Nicholas Hawksmoor*, Lubaina Himid's *Jelly Mould Pavillion*, Richard Wood's *Holiday Home* and Strange Cargo's *The Luckiest Place on Earth*.

Quarterhouse

Following the closure of Quarterhouse on 17 March 2020, hundreds of live events, festivals and community activities planned for the year were cancelled or postponed.

Where possible we supported the physical relocation of regulars such as the Kent Food Hub's moved to the Brewery Tap, or to online activities for Quarterhouse Book Group, Two Tone Yoga, Strangelove Festival and Folkestone Women's Forum.

During this time we also provided research and development support for Folkestone-based artists and provided help and advice to artists in the Creative Quarter with their applications for ACE funding.

Whenever it was possible our Performing Arts and Learning Team swiftly transferred its programme to digital platforms. A selection of films and the popular monthly Doc Club were moved online with post screening talks taking place via Facebook Live.

Films shown included *The Kingmaker*, *Peanut Butter Falcon*, the Sudanese production *Talking About Trees* and Rubika Shah's award-winning film *White Riot* which charts a vital national protest movement. All films were accompanied by post-screening discussions via Facebook Live attended by up to 100 people.

National Theatre Live, Royal Opera House *Live At Home* events and other online performance including two gigs by Mark Thomas and *Schlomo's Beatbox Adventure* for families were publicised through our communications channels.

When we realised that Quarterhouse would possibly remain closed to the public for an extended period we considered how to make this valuable space available to the community in a safe and Covid-19 compliant way.

In September after careful consideration, we made the strategic decision to offer the auditorium to local creatives and community groups and launched *Open Sesame*. Through this programme the Quarterhouse auditorium was made available to creatives, without charge, as a space for rehearsals, training, research & development, recording, live streaming, small meetings, wiggling out or primal screaming, with technical support and assistance from our Performing Arts and Learning Team.

The programme proved to be extremely successful and the auditorium was quickly booked out between September 2020 and the start of second lockdown at the beginning of December 2020. Due to its success and high demand from the creative community to use the Quarterhouse auditorium for their professional development, we made the decision to continue the *Open Sesame* programme even after Quarterhouse reopened to the public.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2021

In November, we launched *Open Sesame: Street* which offered monthly the ground floor windows of Quarterhouse to local artists and creatives to display their work. The Quarterhouse windows, which could be viewed from the pavement, provided passers-by the opportunity to see artwork in a safe outdoor environment whilst walking along Tontine Street.

The Normal? Festival of the Brain was due to take place in May 2020 but migrated online with monthly Weekenders taking place from September through to March. The curatorial team from Living Words, Folkestone Fringe and Creative Folkestone presented most of the programme in a range of new disguises and on a variety of platforms. It included films, hosted talks, workshops and Twitter take-overs. They also went on walks, performed outdoors and livestreamed events on Vimeo, Facebook Live, Zoom and Apps mainly using laptops and smart phones.

For *Christmas in the Quarter*, we marked the festive season by screening giant projections of the film *All Things Grimm* onto the back wall of Quarterhouse. On several dates in December, Payers Park was transformed into a magical winter wonderland. The animated film depicted scenes from the Brother's Grimm Fairy Tales. The film and its soundtrack were made by young people in workshops during October half term lead by local artist Lydia Hibbert and musician Randolph Matthews. The young people's interpretations of the stories through sound and vision were unique and quirky, and brought enjoyment to families and passers-by in the park.

On 18 December, Creative Folkestone invited performers to St Mary & St Eanswythe's Church to take part in a carol concert that was filmed and then shared with audiences live on You Tube. The concert included singers and songwriters who shared their original music and performers read selected pieces of prose and poems. These performances were a welcome and heartfelt expression of Folkestone's creative spirit at a time of adversity.

Another successful series of online events, which took place over three weekend in December, was Stacy Makishi's *Church of the Latter Day Sinners* with 36 one-to-one performances over the telephone. The residency programme was then resurrected in January and continued to take place every Sunday over six weeks on Zoom. The commissioned artist invited the community to a digital Sunday service which offered a different kind of communion where people could come together to share joys and sorrows, do uncool dancing and meditate on what being human in 2021 really meant.

On Saturdays, during these six weeks, Stacy Makishi also welcomed everybody to the accompanying programme *Saturday Night Fever*, a live art show-and-tell club to help people explore their creativity. As a safe space to share and connect with fellow creative spirits, Stacy provided a creative atmosphere that shunned imposter syndrome and welcomes imperfection. In total 480 people participated and the project became international with people zooming in from Latin America, Korea, the US and Canada.

Autumn Reads Festival

Following the postponement of the Folkestone Book Festival, we presented a digital literary festival in November 2020, entitled Autumn Reads, reflecting much of the mood and atmosphere of this strange time. Over four days, the community was invited to come together for a series of events and activities that explored the themes of Jarman's diaries such as memoir, art, activism and gardening. The festival was completely free to attend and reached an audience of almost 70,000 people.

Six talks/discussions and two films were presented online. This allowed the Marketing and Communications and Performing Arts Teams to learn new skills in producing digital arts activity. People taking part in the festival watched the created video content posted on our website and on YouTube.

Leading up to the festival, thanks to investment from the BBC's Space R&D Fund, we were able to record, in collaboration with Screen South, *Strange Concord: Music and Words*. The film was a centrepiece of the festival and combined excerpts of Derek Jarman's *Modern Nature* read by Ben Whishaw with live music by composers Henryk Gorecki and John Zorn. Filmed live at Prospect Cottage in Dungeness, the film premiered online as the highlight of the festival. It was well received and the number of views on YouTube reached 53,555 during the three months it was available online. The production was reviewed on Radio 4, BBC Radio Kent and in *The Evening Standard* and *The Guardian*.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2021

As part of *Autumn Reads*, Creative Folkestone also partnered with local filmmaker Claire Unsworth to create *Folkestone Reads: Modern Nature*. Residents of Folkestone, Hythe and Romney Marsh were invited to take part in this film project which charted the 21 months spanned by a journal from January 1989 to September 1990. The participants read excerpts from *Modern Nature*; this covered themes from gardening and plants to art, film, sexuality, the HIV pandemic, illness and mortality in outdoor locations which had special significance to them. This included Sunny Sands at dawn and the Sound Mirror located at Capelle-Ferne. The atmospheric film celebrated and recorded local nature and the environment and the diverse community of Folkestone, Hythe and Romney Marsh.

The Plinth

The Plinth project opened on 17 September and ran all the way through to December in lieu of the postponed fifth Creative Folkestone Triennial. It was a project inspired by the return of Banksy's well-known artwork *Art Buff* to the Creative Quarter. When the project closed in December it had been enjoyed by an estimated 70,000 visitors.

The Plinth was an art and community engagement project that celebrated the town's creativity and attracted visitors and locals to visit the Creative Quarter.

Ten empty plinths were placed around Folkestone, in unique outdoor locations, and residents and visitors were invited to find a plinth and use it to display their lockdown creations and special objects. The offer was taken up by many people in inspiring and imaginative ways that included anything from pottery to textiles, painting to mosaics, drawing to woodcarvings. They were then encouraged to take a picture, share it on social media and become part of a big online exhibition using #folkestoneplinth.

Alongside the empty plinths, there were three specially commissioned plinths with works by Folkestone-based artists Malcolm Allen, Maureen Jordan and Tomas Poblete. As the project progressed, a video was made that took a closer look at the commissioned artworks. The film was watched by more than 2,000 people.

September 2020 also saw the launch of the *Performance Plinth* in Payers Park as part of *The Plinth* project. Hythe-based Street Artist, Toze One, designed and installed a graffitied plinth in the park and opened the *Performance Plinth* programme with a weekend of hip hop and scratch DJ workshops for young people.

The performance space then continued to host a curated programme of live music, dance, poetry, theatre, comedy and performance art on most Saturdays and Sundays.

A particular highlight was the celebration of World Mental Health Day on Saturday 10 October 2020 when the team of *Normal? Festival of the Brain* hosted a *Speakers' Corner* which was streamed to online audiences. The mental health charity, East Kent Mind, also presented a variety of performances including a violinist and poetry reading.

The live outdoor events were attended by more than 2,000 people and enabled us to welcome the audiences in a safe environment and support local creatives with a space to showcase and practice their work.

In summary, *The Plinth* project was a great success and attracted 5,000 visitors over the first weekend. At the same time the number of followers on our social media platforms (Facebook, Instagram, Twitter) went up with engagement increasing by 355%.

Creative Folkestone Triennial

During the Covid-19 lockdowns the fabrication of the artworks was postponed and the artists were kept up to date with our plans for the delayed Triennial.

Preparations, including fundraising efforts to raise the balance of the project funding, gathered momentum at the beginning of 2021 with the public announcement of the Triennial's extended dates and the participating artists.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2021

The Creative Folkestone Triennial will present artworks from Assemble, Rana Begum, Sam Belinfante, Stephenie Bergman, Jyll Bradley, Patrick Corillon, Shezad Dawood, Richard Deacon, Diane Dever, Jacqueline Donachie, genuinefake, Gilbert & George, Tina Gverovic, Mariko Hori, Christopher Houghton Budd, Atta Kwami, Morag Myerscough, Jacqueline Poncelet, Pilar Quinteros, Rob and Roberta Smith, Mike Stubbs, Jason Wilsher-Mills, , Winter / Hörbelt, Bill Woodrow and HoyCheong Wong & Simon Davenport & Shahed Saleem / Makespace.

Entitled The Plot, the exhibition will present 27 site-specific artworks in the town's scenic coastal setting that includes 22 new commissions. The title suggests multiple meanings: a 'plot' can be a narrative or conspiracy, but it can also mean a plot of land, or to plot a course or graph; things that are mathematically verifiable.

The artworks will be placed in the public realm along three historic routes associated with passages for the movement of water, blood and goods: St Eanswythe's watercourse; the physician William Harvey's discovery of the circulation of the blood; and Folkestone's industrial road 'The Milky Way'.

The artworks highlight local stories and will try to bridge the gap between the narrative of the place and the reality of urbanism. Although the exhibition refers to narratives set in Folkestone, they raise questions around the universal need to distinguish reality from myth, encouraging viewers to question the gap between fact and fiction, and what 'place-making' really means. Observing the difference between personally verified experience and what is otherwise told or narrated, the fifth Creative Folkestone Triennial urges viewers to consider the voids left behind by 'fake news' and 'post-truths'.

In the lead up to the exhibition the team at Creative Folkestone engages with a number of organisations and institutions involved in the exhibition. These will include residents' associations, churches, schools, charities and museums.

The Team have also been working closely with Folkestone Town Council and, as a result, it decided to organise an accompanying exhibition about the life of William Harvey at Folkestone Museum.

Pioneering Places

Pioneering Places is part of the national Great Place Scheme, an ambitious project that aims to make East Kent an even better place to live, work and visit by exploring heritage, developing civic pride and connecting artists and communities. The four projects in Canterbury (The Marlowe Theatre), Dover (The Land Trust), Folkestone (Creative Folkestone) and Ramsgate (Turner Contemporary) have been designed to encourage local people to become involved and help shape the place where they live. Pioneering Places is funded by the Arts Council England, the National Lottery Heritage Fund, Artsworld, Kent County Council and Christ Church Canterbury University, with Historic England providing advice.

By strengthening the networks between culture and civic and community organisations, and by involving citizens and local businesses, the Pioneering Places project will enhance the role that culture plays in the future of each place. In time this will lead to the wide range of social and economic benefits that arts, culture and heritage can achieve.

While the lockdown period involved a hiatus on physical events and activities, including the rescheduling of the Creative Folkestone Triennial, we decided to focus on advocacy, partnership and digital work throughout 2020 and the first quarter of 2021. This included engaging with policymakers, stakeholders and a wide audience of cultural and heritage organisations, practitioners and town planners at events including The Future of English Towns (Westminster Media Forum), Heritage Digital Now (The Heritage Alliance) and the UK's largest online festival of the creative and cultural industries, Creative Coalition, with an online audience of more than 800 policymakers and practitioners.

New partnerships were formed during this time to support a Research and Knowledge Base project and advocacy work, with a focus on connecting with national heritage, university and cultural and policy research organisations including Creative Industries Policy Evidence Centre (PEC), Centre for Cultural Value, National Centre for Academic and Cultural Exchange (NCACE), The Heritage Alliance, What Works Centre for Local Economic Growth, British Council, Creative Industries Federation and Creative England.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2021

As a result of these partnerships and connections, Project Director Jason Jones-Hall represented Pioneering Places to feed into the Centre for Cultural Value Evaluation Working Group, The Heritage Alliance Spatial Planning Advocacy Group and Digital, Learning and Skills Advocacy Group as well as local plans and strategies being devised Kent County Council, Folkestone & Hythe District Council, Thanet District Council and Dover District Council.

Successful community engagement and activation projects with all age groups - from primary schools to pensioners - generated ideas for the disused Folkestone Gas works site on Ship Street. These were developed into proposals for potential future uses for the site by EAST Architects. Following presentation of the Masterplan with key stakeholders, Folkestone & Hythe District Council (FHDC) has now completed the purchase of the Gasworks site and confirmed its intention to continue working with Creative Folkestone and *"with an input from the creative sector with a strong focus on exemplar design, sustainability and art in public spaces"*.

Final preparations are now underway for the installation of a number of new artworks for the Gasworks site as part of the Creative Folkestone Triennial in 2021, while an educational partnership has been developed with the EDGE School of Creative and Business, at East Kent Community College, which will include complementary digital and physical artworks and exhibits created by EDGE students alongside the Triennial artworks on the Gasworks site.

Learning and Engagement

Due to the Covid-19 restrictions our learning and engagement space, Block 67, had to close, and planned workshops and activities for young people, families and other community groups were cancelled and replaced by digital content.

During the first three months our Learning Officer developed a series of online educational animations and written resources for the *Get Creative* part of Creative Folkestone's website. The resources were inspired by Folkestone Artworks and aimed to provide suggestions for children and young people to be creative and imaginative at home or in the classroom using materials they were likely to have available.

Working with our regular theatre and dance practitioners, we engaged in an 11-week project with children who attended our afterschool club, *Neon*, to create an online Time Capsule documenting reflections and thoughts on lockdown. Participants followed a weekly prompt to respond creatively and submit films, animations, drawings, sound pieces and expressed themselves through movement, performance, dance and visual art.

Taking advantage of an easing of lockdown restrictions over the summer, we ran in August one of four previously planned summer schools, *NEON*. Theatre practitioners, Sadie Hurley and James Middleton, worked for a week with fifteen 8-11 year olds in the Quarterhouse auditorium to explore ways to be creative and expressive. The children focused on visual arts, creative writing and digital performance and made digital and craft-based work that was displayed in the Quarterhouse foyer windows during August.

As part of *The Plinth* project, a schools engagement programme was developed. Mobile plinths were delivered to 17 local primary and secondary schools in the district. Each school had the opportunity to create and engage with the project in any way they wanted. Online resources were shared with teachers to support the project.

The response from all schools was very positive with many teachers feeding back that *The Plinth* gave pupils and teachers something to focus on and get excited about. About 2,500 children and young people were involved in the project with many exhibiting their Plinth in their school's foyer to give more pupils the opportunity to engage in the project.

In collaboration with six local artists, inspirational digital workshops were created showcasing different ways to make sculptures using a wide variety of materials which were easily available and affordable. Over six weekends one of the workshops was published via social media encouraging families to be creative and to get involved in *The Plinth*. Free material packs linked to each workshop were available every weekend for families to be picked up from Glassworks or from a shop on the Old High Street.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2021

Prospect Cottage

Prospect Cottage was the home of film director and artist Derek Jarman from 1986 until his death in 1994. During these years he created an artwork out of his cottage and cultivated a beautiful garden in the shingle around it.

In 2020 the Art Fund led a campaign with the help of Tate Gallery and Creative Folkestone to raise the funds to purchase Prospect Cottage and its contents so that it could be saved for the nation and become a centre for creative activity. The campaign raised £3,634,087 for the acquisition of the property and the establishment of an endowment fund to secure for the upkeep of the cottage and garden.

Creative Folkestone will become the custodian of Prospect Cottage taking on responsibility for maintenance, establishing a residency programme, providing interpretation and managing visits to it.

A four-year business plan has been drafted that includes plans for an initial research and development period to define the requirements to bring the Cottage and garden to a good standard and to establish the principles conservation.

A new group, the *Prospect Cottage Advisory Sub-Committee*, has been formed to support the Chief Executive and staff to deliver of the plan.

Creative Folkestone has submitted a bid to the Arts Council to fund a residency programme aimed at giving artists, academics, writers, gardeners, filmmakers, and others interested in Jarman and his work access to Prospect Cottage. We received a donation towards this programme from benefactors Cate Olson and Nash Robbins through the Rockefeller Philanthropy Fund in August 2020.

The Art Fund's planned purchase of Prospect Cottage won the annual Acquisition of the Year Award from Apollo Magazine. The shortlist for the prize featured the Louvre, the Metropolitan Museum in New York, the Uffizi Gallery, the J Paul Getty Museum, British Museum and the Courtauld Institute.

Diversity

Diversity and equality are embedded in all Creative Folkestone activities giving everyone in the community, irrespective of their protected characteristics, the chance to have a full cultural and creative life. It enriches our artistic programme and aims to make our audiences, workforce and governance inclusive.

From application to appointment, people with protected characteristics are slightly over recruited i.e. the staff team have more diversity than the pool of applicants. Staff are encouraged to support Creative Folkestone's commitments to diversity and equality and to help ensure that our strategic decisions are efficiently implemented.

We have been successful in our application to become a host for a Weston Jerwood fellow and the organisational development for this began in January 2021. The fellowship aims to provide work experience for somebody from the under-represented demographics in the creative or cultural sector.

During the Covid-19 pandemic, we ensured that protected characteristic groups, and those disadvantaged by social and economic challenges such as mental health issues and socio-economic deprivation, were able to participate in our programme. These groups have been particularly vulnerable as a direct consequence of the pandemic.

Arts Council England have reported that Creative Folkestone has achieved a strong rating in its diversity classification.

Future Plans

The main focus of our plans and activities for the coming year will be preparing for the re-opening of Quarterhouse and the Creative Quarter and the successful delivery of two of our postponed flagship events; Folkestone Book Festival and the fifth Folkestone Triennial.

We expect that the Quarterhouse performance programme will be fully reinstated in early 2022. While the impact of Covid-19 continues, we will create audience content using digital technologies as it allows the auditorium to be used with a lower audience capacity. This will require Creative Folkestone to find additional funds as we expect these events to cost more and deliver lower financial returns.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2021

We will continue our *Open Sesame* programme that offers Quarterhouse space to local artists and other creatives for research and development, training and rehearsal purposes subject to budgetary constraints.

We will continue to assist our commercial tenants as the Creative Quarter starts to reopen to visitors with the easing of restrictions. We will help them offer a safe and compliant working environment as the country emerges from the pandemic. Particular attention will be given to maintenance work, delayed in 2020, using designated funds that were set aside during the year.

The postponed Folkestone Book Festival took place in June 2021 in Quarterhouse and other places across Folkestone and the programme was a mixture of digital and live events. Entitled '*The Shape of Things to Come*', the festival again took its inspiration from the ideas and thoughts of H.G Wells, a Folkestone resident for 13 years. Over 10 days, writers, artists and thinkers explored the future and discussed a range of topics, including race relations, the environment, technology, food, pandemics and Britain, Russia, Europe and the US.

The new extended Creative Folkestone Triennial 2021 was announced in March 2021 together with the names of participating artists. Careful preparations and delivery will ensure the exhibition is successful. We expect the event to be a highlight in the Folkestone calendar that will attract many visitors to the town which will help boost Folkestone's economy as the town comes out of the pandemic.

From January 2022, Creative Folkestone Triennial will be under new curatorship and the process of appointing a new curator has started during the second half of the year.

Mark Dion's *Mobile Gull Appreciation Unit* will be reinstated as a mobile visitor centre on the Harbour Arm and the recruited and trained volunteers will continue with the interpretation of the artworks. Once Creative Folkestone Triennial has finished, new selected artworks will join Folkestone Artworks and the website, leaflets and other communication material will be updated.

In 2021/2022 we will be inviting the community to take part in Beacons, an engagement project consisting of a series of workshops and events, culminating in a theatrical happening of music and light in November. The project is about the theme of inter-dependence between people, places and eco-systems.

Creative Folkestone will remain committed to environmental responsibility by continuing to reduce its carbon footprint, engaging with topics such as climate, biodiversity, waste and energy in our festivals, projects and engagement programme and promoting good practice in the Creative Quarter. An updated environmental and sustainability strategy will be drafted outlining our vision and ambitions and the plans to achieve them.

An application for extended funding will be submitted to ACE by January 2022 seeking to extend Creative Folkestone's status as a National Portfolio Organisation. We will ask for support in Creative Folkestone's national leadership role in creative placemaking and to take into account projects such as Prospect Cottage, Ship Street and Otterpool and the development of our learning and engagement programme.

Creative Folkestone shares the new ten-year vision published by ACE which will be embedded in our new five-year business plan that will be drafted in the first months of the new year. The plan will outline how we will be implementing their four strategic priorities - Ambition and Quality, Inclusivity and Relevance, Dynamism and Environmental Responsibility - into our future activities.

In summary, we expect that 2021/2022 will be a year of recovery from Covid-19 restrictions and cultural austerity and Creative Folkestone will step up again to its cultural placemaking leadership role to deliver a programme of activities reflecting our vision to make Folkestone a better place to live, work, play and visit through creativity and regeneration.

Financial review

The financial position of the Charity is as set out in the financial statements for the year. During the financial year ended 31 March 2021, the Charity achieved a surplus of £1,388,811 (2020: deficit, £51,295) of which £1,150,000 relates to the value of property donated by the Roger De Haan Charitable Trust (RDHCT) during the year. The results were impacted adversely by a reduction of anticipated rental income as a consequence of delays the RDHCT experienced to building works which in turn delayed their donation of two further properties to Creative Folkestone.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2021

The Charity has faced considerable challenges following the Covid-19 outbreak with restrictions placed on its charitable activities, staff movement and tenants' premises. In response, the Charity reduced its costs wherever possible including using the government's furlough scheme, adapted its operations and provided support to its staff and tenants. Helpfully, the Charity had been taking steps to build up its cash reserves which improved its resilience during recent months.

The Charity held long leasehold properties at 31 March 2021 with a balance sheet value of £13 million. These properties are owned by the Roger De Haan Charitable Trust and leased to Creative Folkestone at a peppercorn rent for 125 years. These properties provide a rental income for the Charity which it uses to satisfy its charitable objectives.

However, these properties may only be rented for creative and educational purposes, and the capital value may never be realised by the Charity.

The high level of restricted funds shown in the balance sheet as at 31 March 2021 relates principally to the Charity's properties in the Creative Quarter rather than available cash resources.

Reserves policy

Since the establishment in 2002 of Creative Folkestone, the Charity had been in the development phase of addressing its charitable objectives. During this period, the Charity had not sought to build its reserves, aside from those represented as property assets.

More recently the Charity has sought to build a cash reserve in addition to its property assets. It aims to maintain positive cash reserves over the next 10-year period. A risk-based assessment of need has set a target range of between £250,000 and £400,000. Current free non designated reserves are £462,000, above the range and given current uncertainty considered to be acceptable.

The reserves are set out in Note 21 to the financial statements. Restricted funds are subject to specific terms and conditions declared by the donor(s), and are only used for the purposes for which they are given.

Designated funds

In preparation for the Folkestone Triennial the Board will seek to designate reserves to future Triennials in the years between exhibitions. The cost of a Triennial is circa £2,100,000.

The Trustees have designated a total of £895,000 (£502,000 to Triennial 2021, £143,000 to Arts Programme costs, £100,000 to the Covid related maintenance backlog, £50,000 to the Charity's 20th anniversary events and £100,000 to the Triennial in 2024).

Investment policy

The Charity's surplus funds are presently held on cash deposit.

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Regular formal trustee and management meetings are held to review progress towards achieving the Charity's objectives and to promote strategic direction within the operation. The Senior Management Team addresses regularly the full risk schedule identified by the Trustees and puts in place procedures and controls so as to ensure those risks are adequately managed. The principal risks are a) economic downturn and Covid related uncertainty, b) loss of key Board members and staff and c) failure to hit earned income and fundraising targets. The mitigating actions are identified in the business plan, including ensuring necessary reserves, good property management, succession planning and investment in the fundraising team. The Charity had in place a contingency plan which proved its worth during Covid-19 restrictions, with operations transitioning smoothly to a home working environment for all staff.

CREATIVE FOLKESTONE

Report of Trustees

For the year ended 31 March 2021

Equal opportunities and diversity policy

The Trustees recognise that ensuring equal opportunities for all is an integral part of good practice within the workplace and Creative Folkestone remains committed to its comprehensive Equality and Diversity Policy.

The charity ensures that the buildings it occupies comply fully with the statutory regulations in place in relation to disabled access.

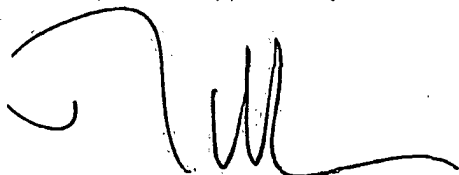
Auditor

RSM UK Audit LLP was appointed auditor to Creative Folkestone in accordance with section 485 of the Companies Act 2006 and has indicated its willingness to continue in office.

Strategic report

The matters which the Trustees deem to be of strategic importance have been included within the Report of Trustees on pages 1 to 3 in accordance with section 414c(11) of the Companies Act 2006.

This Report was approved by the Board of Trustees on **29th November 2021**, and signed on their behalf, by:

A handwritten signature in black ink, appearing to be 'R M De Haan', written over a horizontal line.

Sir Roger M De Haan – Chair of Trustees

CREATIVE FOLKESTONE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Creative Folkestone for the purposes of company law) are responsible for preparing the Strategic Report, Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing those financial statements, the Trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities SORP;
- c. make judgements and accounting estimates that are reasonable and prudent;
- d. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- e. 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 proper accounting records that 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATIVE FOLKESTONE

Opinion on financial statements

We have audited the financial statements of Creative Folkestone (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, 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 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the Report of Trustees other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATIVE FOLKESTONE

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 Report of Trustees, 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 Directors' Report and the Strategic Report included within the Report of Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Report of Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATIVE FOLKESTONE

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of Trustees and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety and tenancy laws. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls and as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP

Statutory Auditor, Chartered Accountants

25 Farringdon Street

London, EC4A 4AB

6 December 2021

CREATIVE FOLKESTONE**Statement of Financial Activities (Including Income and Expenditure Account)****For the year ended 31 March 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Income from:					
Donations and legacies	3	33,305	1,164,000	1,197,305	128,042
Charitable activities	4	2,285,631	93,382	2,379,013	2,682,206
Other trading activities	5	7,540	-	7,540	96,872
Investments	6	1,940	-	1,940	3,282
Other income	7	75,451	-	75,451	-
Total income		<u>2,403,867</u>	<u>1,257,382</u>	<u>3,661,249</u>	<u>2,910,402</u>
Expenditure on:					
Charitable activities	8	1,925,580	346,759	2,272,339	2,919,464
Other trading activities	11	99	-	99	42,233
Total expenditure		<u>1,925,679</u>	<u>346,759</u>	<u>2,272,438</u>	<u>2,961,697</u>
Net income/(expenditure) and net movement in funds		478,188	910,623	1,388,811	(51,295)
Total funds at 1 April		1,153,180	17,249,262	18,402,442	18,453,737
Total funds at 31 March		<u>1,631,368</u>	<u>18,159,885</u>	<u>19,791,253</u>	<u>18,402,442</u>

CREATIVE FOLKESTONE

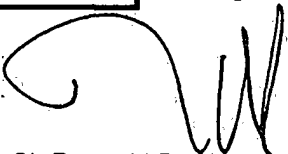
Balance Sheet

At 31 March 2021

Company Registration Number: 04566484

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	15	18,385,808	17,476,224
Heritage assets	16	53,400	53,400
Investments	17	1	1
		<u>18,439,209</u>	<u>17,529,625</u>
Current assets			
Debtors	18	447,917	380,693
Cash at bank and in hand		1,525,049	1,227,023
		<u>1,972,966</u>	<u>1,607,716</u>
Creditors: amounts falling due within one year	19	(620,922)	(734,899)
Net current assets		<u>1,352,044</u>	<u>872,817</u>
Net assets		<u>19,791,253</u>	<u>18,402,442</u>
Funds			
Unrestricted funds	22	1,631,368	1,153,180
Restricted funds	22	18,159,885	17,249,262
Total funds		<u>19,791,253</u>	<u>18,402,442</u>

The financial statements on pages 20 to 36 were approved by the board and authorised for issue on 29 November 2021. ... and signed on its behalf by:



Sir Roger M De Haan – Chair of Trustees

CREATIVE FOLKESTONE

Statement of Cash Flows

For the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash outflow from operating activities:			
Net cash provided by operating activities	24	296,086	183,578
Interest received		1,940	3,282
Net increase in cash and cash equivalents		<u>298,026</u>	<u>186,860</u>
Cash and cash equivalents 1 April		1,227,023	1,040,163
Cash and cash equivalents 31 March		<u>1,525,049</u>	<u>1,227,023</u>
Relating to:			
Cash at bank and in hand		<u>1,525,049</u>	<u>1,227,023</u>

CREATIVE FOLKESTONE

Notes to the Financial Statements For the year ended 31 March 2021

1 Accounting policies

Legal status

The Charity is a company limited by guarantee. The members of the company are the Trustees. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

The Charity's objectives and aims are disclosed in the Report of Trustees.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention. The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019 (the FRS 102 Charities SORP 2019).

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

The Charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The Trustees confirm that at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Trustees have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position. Since the significance of the economic impacts of the COVID-19 outbreak have become apparent, the Trustees have reviewed in detail the Charity's position and the appropriate basis on which to prepare the financial statements.

The Trustees anticipate that there will be significant adverse impacts on many income streams. The full impact of the COVID-19 outbreak cannot presently be estimated with any certainty, but the stress testing of the Charity's financial position has satisfied the Trustees that it has adequate reserves and mitigation strategies available to deal with the impact of the outbreak as it unfolds. The cash position is strong, the charity has no debt, the rental income has so far held up well, funding from the Arts Council is secure for at least two years and funds have been put aside for the 2021 Folkestone Triennial. The Trustees recognise that 2021/2022 will be another challenging year and have structured the budget accordingly while assessing what further actions can be taken if needs be and they have concluded that it remains appropriate to prepare the financial statements of the Charity on the going concern basis.

Consolidation

The financial statements present information about the Charity as an individual undertaking and not about its group. The Charity has taken advantage of section 402 of the Companies Act 2006 not to prepare consolidated financial statements as the directors consider that the Charity's subsidiary may be excluded from consolidation as it is immaterial for the purpose of a true and fair view.

Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donated facilities and gifts in kind are included at the value to the Charity where this can be quantified, and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2021

1 Accounting policies (continued)

Income from government and other grants, whether 'capital' grants relating to tangible fixed assets or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Governance costs include those costs incurred in the governance of the Charity and are primarily associated with constitutional and statutory requirements.

Support costs represent finance, administration and other indirect central costs. The support costs have been allocated in proportion to the direct costs incurred in respect of each activity.

Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Heritage assets

Metropole:

This comprises artworks that were collected through the Metropole Arts Centre that are owned by the Charity. This artwork is recognised as a heritage asset for the purposes of these financial statements, in accordance with the Charity SORP Section 18, since it is held and maintained principally for its contribution to knowledge and culture. The Trustees valued this artwork at £53,400 based upon valuations for various parts of the collection. The Trustees do not believe that the value of the artwork has changed.

Art Buff:

The Charity owns the Banksy artwork known as "Art Buff". This artwork is recognised as a heritage asset for the purposes of these financial statements, in accordance with the Charity SORP Section 18, since it is held and maintained principally for its contribution to knowledge and culture. It is included at zero net book value since information on its value is not available and a reliable estimate cannot be made of the asset's fair value. Furthermore, it is considered that the asset has no monetary value to the Charity, because the Charity considers that it would not be appropriate to sell the asset.

Taxation

Creative Folkestone is a registered Charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2021

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment losses. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	50 years straight line
Long leasehold	straight line over life of lease
Leasehold improvements	straight line over life of lease
Plant and machinery	15 – 33% on cost straight line
Computer equipment	33% on cost straight line
Fixtures and fittings	15% on cost straight line

A full year of depreciation is charged in the year of purchase and no depreciation is charged in the year of disposal.

At each reporting end date, the Trustees review the carrying amounts of its freehold and leasehold assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

Financial instruments

The charitable company applies the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognised when the charitable company becomes a party to the contractual provisions of the instrument, and are offset only when the charitable company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets, including trade and other receivables (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at transaction price and subsequently measured at amortised cost, being the transaction price less amounts settled and any impairment losses.

Basic financial liabilities, including trade and other payables are initially recognised 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2021

1 Accounting policies (continued)

Agency Arrangements

The charity acts as an agent in the administering of the Great Place Scheme Pioneering Places: East Kent Fund for the National Lottery Heritage Fund. Related payments received from National Lottery Heritage Fund and subsequent disbursements to other partners within the scheme are excluded from the statement of financial activities to the extent that the charity does not have a beneficial interest in the individual transactions.

Payments received which relate to the Charity's share of the Great Place Scheme Pioneering Places is recognised in the statement of financial activities.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Accounting estimates and areas of judgment

In application of the Charity's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgments

Heritage assets

The carrying value of the heritage assets, as valued by the trustees, is considered to be a key area of estimation.

3 Donations and legacies

	2021 £	2020 £
Restricted		
Roger De Haan Charitable Trust:		
Transfer of leasehold properties	1,150,000	-
Folkestone Festivals Fund	14,000	73,000
Total restricted	1,164,000	73,000
Unrestricted		
McAlpine donation	40,000	40,000
Other	(6,695)	15,042
Total unrestricted	33,305	55,042
Total donations and legacies	1,197,305	128,042

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2021

4 Charitable activities

	Rental income	Grants	Other sources of income	Total
	£	£	£	£
Creative Quarter	1,060,740	-	214,590	1,275,330
Folkestone Triennial	-	5,000	21,200	26,200
Folkestone Artworks	-	-	68,548	68,548
Quarterhouse	1,851	32,875	109,714	144,440
Learning & Engagement	-	-	2,104	2,104
Great Place Scheme	-	92,427	-	92,427
Development	-	631,145	138,819	769,964
2021 Total activities	1,062,591	761,447	554,975	2,379,013
2020 Total activities	1,126,376	1,318,682	237,148	2,682,206

Of the £2,379,013 income received in the period to 31 March 2021, £93,382 was attributable to restricted funds and £2,285,631 was attributable to unrestricted funds.

Of the £2,682,206 income received in the period to 31 March 2020, £519,227 was attributable to restricted funds and £2,162,979 was attributable to unrestricted funds.

5 Other trading activities

	Unrestricted 2021 £	2020 £
Bar income	285	53,854
Other sundry income	7,255	43,018
	7,540	96,872

6 Investments

	Unrestricted 2021 £	2020 £
Deposit account interest	1,940	3,282

7 Other income

	Unrestricted 2021 £	2020 £
Government grants	75,451	-

Grants received represent amounts received in respect of contributions towards staff salary costs under the coronavirus job retention scheme.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2021

8 Charitable activities

	Direct Costs £	Grants payable £	Support costs £	Total £
Creative Quarter	746,330	-	165,510	911,840
Arts programme festivals and events	23,763	14,000	6,537	44,300
Folkestone Triennial	225,687	-	62,080	287,767
Folkestone Artworks	68,470	-	18,834	87,304
Quarterhouse	92,427	-	25,424	117,851
Learning & Engagement	331,297	-	185,901	517,198
Great Place Scheme	182,617	-	50,233	232,850
Development	73,229	-	-	73,229
2021 Total activities	1,743,820	14,000	514,519	2,272,339
2020 Total activities	2,288,014	73,000	558,450	2,919,464

Of the £2,272,339 charitable activities expenditure in the period to 31 March 2021, £346,759 was attributable to restricted funds and £1,925,580 was attributable to unrestricted funds.

Of the £2,919,464 charitable activities expenditure in the period to 31 March 2020, £816,965 was attributable to restricted funds and £2,102,499 was attributable to unrestricted funds.

9 Grants payable

	Unrestricted 2021 £	2020 £
Arts programme festivals and events	14,000	73,000

10 Support costs

Support costs represent finance, administration and other indirect central costs. The support costs have been allocated in proportion to the direct costs incurred in respect of each activity excluding depreciation and gifts in kind.

11 Other trading activities

	Unrestricted 2021 £	2020 £
Bar expenditure	99	42,233
	99	42,233

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2021

	2021 £	2020 £
12 Auditor's remuneration		
Audit services statutory audit of the charity	18,500	16,700
Other services:		
Auditor's non-audit services	2,500	2,200
	<u>21,000</u>	<u>18,900</u>

	2021 £	2020 £
13 Net income		
This is stated after charging/(crediting):		
Government grants	(75,451)	-
Depreciation	240,416	238,498
Other operating leases	-	553
	<u></u>	<u></u>

	2021 £	2020 £
14 Staff costs and remuneration of key management personnel		
Wages and salaries	627,688	650,015
Social security costs	56,815	55,448
Other pension costs	59,839	53,536
	<u>744,342</u>	<u>758,999</u>

The average monthly number of employees during the year was as follows:

	2021 no.	2020 no.
Creative Quarter	3	2
Arts programme festivals and events	1	1
Development	2	2
Marketing	2	2
Learning and engagement	1	1
Management and administration	5	5
Quarterhouse	3	3
Visitor Experience	3	7
	<u>20</u>	<u>23</u>

The number of employees whose emoluments for the year fell within the following bands was:

£70,001 – £80,000	<u>1</u>	<u>1</u>
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All employees earning more than £60,000 in the current and previous year participated in the pension scheme.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) **For the year ended 31 March 2021**

14 Staff costs and remuneration of key management personnel (continued)

The Chief Executive, Mr A Upton, was also a member of the Board of Trustees during the year and received remuneration and benefits for his services in that office, through an employment contract with the Charity, of £78,106 (2020: £75,257) and pension contributions for the period of £11,086 (2020: £10,711).

Fiona Kingsman was appointed deputy Chief Executive Officer in August 2019 and received remuneration and benefits for her services in that office, through an employment contract with the Charity, of £50,000 (2020: £33,333) and pension contributions for the period of £5,000 (2020: £2,537).

The Charity considers its Board of Trustees, including the Chief Executive and deputy Chief Executive Officer, as their key management personnel. No other members of the key management personnel received remuneration during the current period or previous year.

No members of the Board of Trustees were reimbursed expenses during either the current or previous year.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued)
For the year ended 31 March 2021

15	Tangible fixed assets	Freehold property £	Long leasehold £	Leasehold improvements £	Plant and machinery £	Furniture & Fixtures £	Computer equipment £	Total £
	Cost							
	1 April 2020	5,992,909	12,927,451	854,378	187,552	23,490	24,978	20,010,758
	Additions	-	1,150,000	-	-	-	-	1,150,000
	Disposals	-	-	-	(58,329)	(13,895)	-	(72,224)
		<u>5,992,909</u>	<u>14,077,451</u>	<u>854,378</u>	<u>129,223</u>	<u>9,595</u>	<u>24,978</u>	<u>21,088,534</u>
	Depreciation							
	1 April 2020	1,262,426	937,833	99,296	186,511	23,490	24,978	2,534,534
	Charge for the year	119,857	112,631	6,887	1,041	-	-	240,416
	Disposals	-	-	-	(58,329)	(13,895)	-	(72,224)
		<u>1,382,283</u>	<u>1,050,464</u>	<u>106,183</u>	<u>129,223</u>	<u>9,595</u>	<u>24,978</u>	<u>2,702,726</u>
	Net book value							
	31 March 2021	<u>4,610,626</u>	<u>13,026,987</u>	<u>748,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,385,808</u>
	31 March 2020	<u>4,730,483</u>	<u>11,989,618</u>	<u>755,082</u>	<u>1,041</u>	<u>-</u>	<u>-</u>	<u>17,476,224</u>

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2021

16 Heritage assets	Total £
Market value At 1 April 2020 and 31 March 2021	<u>53,400</u>
Net book value At 1 April 2020 and 31 March 2021	<u>53,400</u>

17 Fixed asset investments	Shares in group undertakings £
Market value At 1 April 2020 and 31 March 2021	<u>1</u>
Net book value At 1 April 2020 and 31 March 2021	<u>1</u>

The Charity's investment at the balance sheet date was held in the following company:

	Registered Office	Class of share	% held Directly	Indirectly	Nature of business
The Creative Foundation (Trading) Limited	England and Wales	Ordinary A	100%	-	Dormant

18 Debtors: amounts falling due within one year	2021 £	2020 £
Trade debtors	57,251	176,685
Other debtors	37,642	33,560
VAT	12,415	5,341
Prepayments and accrued income	340,609	165,107
	<u>447,917</u>	<u>380,693</u>

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2021

19	Creditors: amounts falling due within one year	2021 £	2020 £
	Trade creditors	182,266	122,348
	Amounts owed to group undertakings	647	647
	Social security and other taxes	-	15,213
	Other creditors	139,135	415,989
	Accruals	42,003	117,337
	Deferred income (note 19a)	256,871	63,365
		<u>620,922</u>	<u>734,899</u>

19a	Deferred income	2021 £	2020 £
	Deferred income as at 1 April	63,365	44,847
	Income received requiring deferment	256,871	63,365
	Release of income during the year	(63,365)	(44,847)
	Deferred income as at 31 March	<u>256,871</u>	<u>63,365</u>

Deferred income of £69,796 (2020: £37,490) represents income received in advance for property rentals and £187,075 (2020: £25,875) represents income received in advance in relation to grants.

20 Pension

The Charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £59,839 (2020: £53,536). The total contributions outstanding at the year end were £6,368 (2020: £6,530).

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2021

21	Analysis of net assets between funds – 31 March 2021	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total funds 2020 £
	Fixed assets	279,323	18,159,885	18,439,208	17,529,624
	Investments	1	-	1	1
	Current assets	1,972,966	-	1,972,966	1,607,716
	Current liabilities	(620,922)	-	(620,922)	(734,899)
		<u>1,631,368</u>	<u>18,159,885</u>	<u>19,791,253</u>	<u>18,402,442</u>
	Analysis of net assets between funds – 31 March 2020	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total funds 2019 £
	Fixed assets	280,362	17,249,262	17,529,624	17,768,122
	Investments	1	-	1	1
	Current assets	1,607,716	-	1,607,716	1,464,640
	Current liabilities	(734,899)	-	(734,899)	(779,026)
		<u>1,153,180</u>	<u>17,249,262</u>	<u>18,402,442</u>	<u>18,453,737</u>
22	Movement in funds		At 31 March 2020 £	Net movement in funds £	At 31 March 2021 £
	Unrestricted funds				
	General fund		468,258	47,627	515,885
	Designated funds		459,000	436,000	895,000
	Freehold property		225,922	(5,439)	220,483
			<u>1,153,180</u>	<u>478,188</u>	<u>1,631,368</u>
	Restricted funds				
	Freehold and leasehold properties		4,504,562	(119,857)	4,384,705
	Leasehold properties		12,744,700	1,030,480	13,775,180
			<u>17,249,262</u>	<u>910,623</u>	<u>18,159,885</u>
	Total funds		<u>18,402,442</u>	<u>1,388,811</u>	<u>19,791,253</u>

The Trustees have designated a total of £895,000 (£502,000 to Triennial 2021, £143,000 to Arts Programme costs, £100,000 to the Covid related maintenance backlog, £50,000 to the Charity's 20th anniversary events and £100,000 to the Triennial in 2024.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2021

22 Movement in funds (continued)

Net movement in funds, included in the above, are as follows:

	Income	Expenditure	Transfer	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	2,403,867	(1,658,673)	(697,567)	47,627
Designated funds	-	(261,567)	697,567	436,000
Freehold property	-	(5,439)	-	(5,439)
	<u>2,403,867</u>	<u>(1,925,679)</u>	<u>-</u>	<u>478,188</u>
Restricted funds				
Folkestone Triennial	26,200	(26,200)	-	-
Folkestone Artworks	42,182	(42,182)	-	-
Quarterhouse	25,000	(25,000)	-	-
Freehold Property	-	(119,857)	-	(119,857)
Leasehold Properties	1,150,000	(119,520)	-	1,030,480
Arts Programme Festivals & Events	14,000	(14,000)	-	-
	<u>1,257,382</u>	<u>(346,759)</u>	<u>-</u>	<u>910,623</u>
Total funds	<u>3,661,249</u>	<u>(2,272,438)</u>	<u>-</u>	<u>1,388,811</u>

Details on funds are as follows:

Folkestone Triennial	3 yearly public contemporary arts exhibition held in Folkestone.
Folkestone Artworks	Maintenance of contemporary artwork left in situ after the Folkestone Triennial.
Quarterhouse	The ownership and operation of the Quarterhouse Performing Arts Centre.
Freehold Property	Represents grants received by the Charity for capital projects. These are depreciated over the estimated useful economic life of the asset the grant was used to purchase.
Leasehold properties	Represents the transfer of leasehold properties from the Roger De Haan Charitable Trust to the Charity.
Arts Programme Festivals & Events	Festival ticket and fundraised income.
Designated funds	The Trustees have designated a total of £895,000, full details are disclosed on page 34.

CREATIVE FOLKESTONE

Notes to the Financial Statements (continued) For the year ended 31 March 2021

23 Related party disclosures

As part of Creative Folkestone's administration of The Great Places Scheme Pioneering Places: East Kent, as detailed in note 26, payments totalling £254,675 were made to The Marlowe Trust, an entity which is related by virtue of a common trustee. This is part of the agency arrangement and were not the funds of the charity.

The Roger De Haan Charitable Trust (RDHCT), a Charity which Sir Roger De Haan is a Trustee, donated leasehold properties valued at £1,150,000 (2020: £nil), made a payment of £39,182 (2020: £89,427) to the Folkestone Artworks and a grant of £nil (2020: £100,000) for the Folkestone Triennial.

Details of trustees' remuneration and benefits can be found in note 14.

24 Net cash flow from operations	2021 £	2020 £
Net surplus/(deficit) for the year	1,388,811	(51,295)
Depreciation	240,416	238,498
Interest received	(1,940)	(3,282)
(Increase)/decrease in debtors	(67,224)	43,784
Decrease in creditors	(113,977)	(44,127)
Donated assets	(1,150,000)	-
Net cash inflow from operating activities	296,086	183,578

25 Commitments under operating leases

At 31 March 2021 the Charity was committed to making the following payments under non-cancellable operating leases in the year to 31 March:

	2021 £	2020 £
Operating leases which expire:		
Within one year	-	553
	-	553

26 Agency arrangements

The charity administers the disbursement of the grants due to the partners of The Great Place Scheme Pioneering Places: East Kent, on behalf of National Lottery Heritage Fund. In the year, amounts were received totalling £267,532 (2020: £296,135). The amount received but not yet distributed at the year end was £nil (2020: £297,189) and is included in other creditors at the reporting date.