

**Company Registration Number: 04566484**  
**Charity Registration Number: 1105174**

**CREATIVE FOLKESTONE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**Year ended 31 March 2023**

# CREATIVE FOLKESTONE

## Report of Trustees For the year ended 31 March 2023

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The Trustees, (who are also directors of the Charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Creative Folkestone for the year ended 31 March 2023.

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  
Paul Hudson  
Andrew Ironside  
Trevor Minter OBE DL (Resigned 1<sup>st</sup> August 2023)  
Judith Nesbitt (Appointed 27<sup>th</sup> June 2022)  
The Earl of Radnor  
Vanessa Stone  
Alastair Upton

**Chief Executive** Alastair Upton

**Deputy Chief Executive** Fiona Kingsman

**Company Secretary** Angela 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](http://www.creativefolkestone.org.uk)

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# CREATIVE FOLKESTONE

## Report of Trustees For the year ended 31 March 2023

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### 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 it, 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 and which 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. 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 five internationally acclaimed Folkestone Triennials when we commissioned site specific artworks to be exhibited in the public realm around the town. After each show we kept many of the exhibits and added them to Folkestone Artworks which have then been kept on permanent display. As our collection has grown, so has Folkestone's reputation as a unique destination for those who enjoy contemporary art. In 2021 we took on the stewardship of Prospect Cottage, Derek Jarman's former home in Dungeness, along with a commitment to open its doors to the public through visits and a residency programme.

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 a number of core projects developed and managed by Creative Folkestone: the Creative Quarter, Quarterhouse, Folkestone Book Festival, Folkestone Triennial, Folkestone Artworks and Prospect Cottage; all these initiatives are underpinned by our Learning and Engagement programme.

# CREATIVE FOLKESTONE

## Report of Trustees For the year ended 31 March 2023

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### 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 later in this report under Achievements and Performance. Our activities, and 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, learning 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. The Trustees during the year 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 that oversee Management, Visual Arts, Performing Arts and Learning and Engagement and Creative Quarter Regeneration, and report back their recommendations to the main Board.

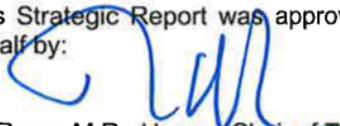
We actively advertise for new members of sub-committees of the Board and applicants are interviewed by the CEO and another trustee. They are invited to join the sub committees and if appropriate can move on to the main board. Our induction process includes Trustees being given a copy of our constitution, audited accounts and copies of trustee meeting minutes, together with the Charity Commission's 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 normally set annually in accordance with the pay policy, with any changes taking effect from the 1<sup>st</sup> 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 25<sup>th</sup> Sept '23 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 2023

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### Achievements and performance

#### Creative Folkestone overview

This year marks twenty years since Creative Folkestone was founded by our Chairman, Sir Roger De Haan. It is also the beginning of a new five-year business plan for Creative Folkestone covering the period from 2022 through to 2027. The overarching objective for the business plan is to ensure that the transformation of Folkestone, through the Charity's creative placemaking, is beneficial for the whole community. This was captured in the restated mission statement – Creative Folkestone will make Folkestone a better place to live, work, study, play and visit for ALL. In the plan we commit to connecting up all we have achieved to capitalise on, and fulfil, our leadership role as the UK's leading placemaking arts project.

These objectives aligned well with the Arts Council's 10-year plan 'Let's Create' and so made a good basis for a bid, made early in the year, for another cycle of NPO funding. In the autumn of the year, we learnt that we had been successful in our bid, but like most arts organisations in England, only for standstill funding. The next NPO cycle starts in April 2023 and continues for three years.

During the year, the economic environment in which the business plan had been written changed with inflation running high, particularly for utilities. In April 2022 the electricity and gas costs for the whole organisation were approximately £11,600 a month and, by year end, £32,000 a month.

Our response was to cut costs, including three staff positions, to lower our use of these utilities and to conduct a rent review while supporting tenants who were also struggling with cost increases. In addition, the decision was made to change the Quarterhouse programme towards music, late nights, and comedy (from March 2023) and away from theatre, family programmes and contemporary dance.

Whilst these overarching events were taking place, Creative Folkestone delivered on its artistic agenda throughout the calendar year. Folkestone Artworks were enjoyed by an estimated 2.4 million visitors to the town along with its 56,000 residents. Despite the year starting as Covid restrictions on access to public buildings were lifted, a full programme of theatre, dance, music, family events, comedy and film was set, and audiences were coaxed back to Quarterhouse. 9,538 people attended 106 events in the year and the building was used for artist development sessions, the young people's programme and community activities.

The Creative Quarter property portfolio now consists of 76 residential, 52 business and 126 studio and office spaces. Occupancy was at 90% at year end. Creative Quarter returned, over the summer, to a bustling place frequented by visitors seeking creativity and inspiration. Interest in new Creative Quarter tenancies remained strong throughout the last year with consistently high levels of applications, particularly for retail spaces, residential premises and mid-priced studio/office space, indicating a continuation of the recovery of the creative sector.

Open Quarter returned in July when we invited Folkestone residents and visitors to explore and celebrate the Creative Quarter and its vibrant creative community. We estimated that the event was attended by more than 1,500 people.

One of the highlights of Creative Folkestone's year was the opening of Prospect Cottage (Derek Jarman's former home in Dungeness) to the public and the launch of the artists' residency programme. This followed the completion of critical conservation work in the house and garden. The cottage opened for public visits in July with residencies starting in August. The public programme welcomed 1,440 visitors between July 2022 and March 2023 and nine residents stayed at the cottage as well as 25 R&D visits. Planning for the sixth edition of Folkestone Triennial started in 2022 with the announcement of a new curator, Sorcha Carey in October.

Creative Folkestone marked its 20th anniversary in October with a newly commissioned project, brought together by Randolph Matthews, Folkestone's musician in residence. Titled Tune-In Folkestone, the project engaged the community to find the town's sound.

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Creative Folkestone Book Festival, curated for the third and final time by Sean Doran and Liam Browne, returned to its traditional November dates after having been moved to the summer the previous year, due to Covid. Titled The Shape of Things to Come, the future was once again the driving force of the festival which welcomed audiences of 4,207 including 1,277 free tickets for school children.

The Learning and Engagement Programme delivered 399 different activities attended by 5,561 participants. The activities included sessions specifically designed for a range of different target groups – including school children, families, young people affected by autism, members of the Roma community and refugees from the Napier Barracks.

Media coverage of Folkestone in which Creative Folkestone featured was seen throughout the year and included Lonely Planet naming Kent's Heritage Coast as amongst the top four places to visit in the world, The Sunday Times named Folkestone as one of the best places to live in Britain and the Guardian covered the new residencies at Prospect Cottage.

The EU Interreg North Sea programme, CUPIDO, came to an end in October 2022. The last six months of the project focussed on wrapping up ongoing activities and ensuring that all aims and objectives were met.

Work continued successfully with the Hi3 Network; a project funded by European Regional Development Fund (ERDF) and led by London South Bank University in partnership with Canterbury Christ Church University, Creative Folkestone, Maidstone Studios and Screen South.

The Board of Trustees would like to express their appreciation for the continued generosity of its benefactors in terms of both committed funding and in-kind assistance with the work of the charity, including Art Council England (ACE), Kent County Council (KCC), Folkestone and Hythe District Council (FHDC), Canterbury Christ Church University, CUPIDO and the EU Interreg North Sea Programme, Hi3 Network, NewsNow and Eurotunnel.

The Board of Trustees would like to convey special thanks to the Trustees of 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 who are not Trustees. Their continued flexibility and willingness to adapt to changing conditions, due to the Covid-19 and the energy crisis, have made it possible to deliver an ambitious and challenging arts and performance programme and to allow the Creative Quarter to recover from the unprecedented ramifications of the lockdowns.

### Creative Quarter

The Creative Quarter is an urban village of designers, filmmakers, musicians, web developers and artists located in the old town of Folkestone. It is made up of over ninety restored buildings spanning residential flats, studios, offices, warehouses and shops. The area is populated by a community of over five hundred artists and creatives and is home to many businesses and individuals who have created hundreds of jobs that have helped rejuvenate the local economy. Our portfolio consists of 76 residential, 52 business and 126 studio and office spaces. The properties are leased to Creative Folkestone on a 125-year term. 800 people live and work here daily.

Occupancy levels in the Creative Quarter and digital:glassworks, on average, remained at more than 90%.

One of the largest and most visible spaces in the Creative Quarter – the new ground floor units at the "Red Fin" building on Tontine Street – are now occupied. The tenant opened a gallery, retail and exhibition space which has seen many Creative Quarter tenants contribute artworks for display and sale.

At the beginning of last year, a review of online property advertising has been carried out and available units are now updated on the Creative Folkestone website as soon as availability arises. This has been particularly successful for residential properties, enabling a swift turnaround of these units.

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## **CREATIVE FOLKESTONE**

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As the cost-of-living crisis continues we have assessed our income and liabilities, in particular the utility costs, which have been steadily on the increase with electricity costs reaching their peak at the beginning of September 2022 amounting to £12,000 for a month's usage for Quarterhouse alone.

Plans were drawn up to focus on mitigating costs as much as possible while considering, in parallel, measures to increase the yield of rental property in the portfolio.

A rent review was undertaken - and is ongoing - for residential properties followed by studios, offices, and retail spaces.

In late November, digital:glassworks hosted the Creative Quarter Christmas Market, an event intended to give tenants and other local businesses the opportunity to display and sell their products. Following its success, a regular monthly market started on the last Saturday of each month. So far, The Creative Quarter Art Market has been a great success and food, drink and live music have been the latest additions to the growing number of market stalls.

For the first time since the outbreak of the COVID-19 pandemic, a Creative Quarter Community Carol Concert took place again in December, at the church of St Mary and St Eanswythe.

We continued to be part of the Hi3 Network; a project launched in 2020 and co-funded by the European Union with a focus on the development of moving-image, screen-based and creative technologies through innovative research and development. The aim is to establish a network of industry specialists, researchers and businesses that will bring new opportunities and resources to SME's at digital hubs in Folkestone, Canterbury and Maidstone.

The Folkestone hub is based in digital:glassworks and Hi3 Network funding supported office and studio costs for one of our partners, Screen South; a cultural development organisation with digital creativity at its heart. Last year saw the official launch of the hub and our work focussed on raising awareness for the Hi3 Network and Screen South's programme through social media, internal, and professional network communications.

In addition, Creative Folkestone has continued to raise awareness for the project through targeted communication to local SME's and professionals as well as creatives and artists using our existing networks. This included promoting the Hi3 Network to Creative Quarter tenants, posting information in Facebook groups and contacting organisations such as the local Chamber of Commerce. We have adapted our approach to focus on participants of the programme to showcase the work that has been created. This has performed well across our channels.

As a direct result of our involvement in the Hi3 Network, we broadened our database of service providers. In particular, we built relationships with several new photographers, filmmakers and other creatives and worked with Manuel Vason to capture events using 360 camera technology.

In addition, we worked with the wider Hi3 Network team to develop the website offering and started to explore the potential of a legacy project.

The EU Interreg North Sea programme, CUPIDO, came to an end in October 2022. The project started in 2018 and brought together 16 partners from seven countries to share their knowledge, expertise and resources for promoting the digitalisation of the cultural sector and the establishment of CreaTech industries.

Funding included a contribution to the costs for the establishment of our digital:glassworks hub and the integration of digital components into the Book Festival and the Triennial programme. Due to the Covid pandemic, the project was granted a second six-month extension, pushing the anticipated end date back to September 2022.

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### **Report of Trustees For the year ended 31 March 2023**

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The last six months of the project focussed on wrapping up ongoing activities and ensuring that all aims and objectives were met. In June 2022, the final conference took place in Inverness, Scotland, with each partner presenting on the impact the funding had for their region. The consensus among the partners was that CUPIDO activities strengthened local economies and competitiveness and created job opportunities in all rural communities involved.

Open Quarter returned in July with Connecting Creatives, an evening of micro-presentations from creatives across the Creative Quarter to showcase their practice and businesses. About 120 residents and other business representatives used the event as an opportunity to network with fellow creatives and catch-up on their latest digital technology, experiences and skills.

35 artists in the Creative Quarter opened their studios and workshops for visitors to take a look behind the scenes, meet local creatives or just find some inspiration.

A new part of Open Quarter was Park Fest, a music festival curated by six young people from Kent aged between 19 and 25, named the Quarter Collective. Funded through the Kent County Council's Reconnect Presents programme, the young curators led on the production, management and delivery of the festival. They were supported by Creative Folkestone staff and Metaxu Collective; a local organisation specialising in pioneering new musical talent. The festival included an afternoon that harnessed the voices of young people with a programme that was a mix of musical styles with a range of activities including skateboarding and art workshops, utilising the skills and support of creative organisations locally.

#### **Sixth Edition of Creative Folkestone Triennial**

We were delighted to announce the appointment of the new Triennial Curator, Sorcha Carey, in autumn 2022. Sorcha has been the director of the Edinburgh Art Festival for 10 years and is currently leading Collective, Edinburgh's contemporary art centre.

By the end of March 2023, Sorcha and the Triennial project team had welcomed eight potential artists to visit Folkestone to carry out research before submitting their proposals for artworks.

Following a successful bid to provide creative services for Folkestone and Hythe District Council's Levelling Up project Folkestone - A Brighter Future, Creative Folkestone will deliver, if timings allow a number of artworks in the town which will be included in the next Triennial if timings align.

The Levelling Up project is an incredible win for Folkestone and brings a valuable opportunity to connect seamlessly the harbour, seafront, Creative Quarter and Old High Street with the town centre.

Creative Folkestone will provide artistic guidance on public infrastructure works as part of Folkestone – A Brighter Future and will curate, commission and oversee the delivery of several art installations/interventions to help make the town centre a desired place to live, work, visit and play whilst supporting economic growth.

We will continue to deepen our partnerships with organisations such as the Islamic Cultural Centre, KRAN, The Edge School of Creative Business and the Friends of Napier Barracks.

#### **Folkestone Artworks**

Folkestone Artworks is the largest urban outdoor exhibition of contemporary art in the UK, currently consisting of 94 artworks from 54 artists at 90 sites. The exhibition has grown over the years with new work added after each Triennial.

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

## **CREATIVE FOLKESTONE**

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After Folkestone Triennial 2021 we worked with Kent County Council and Folkestone and Hythe District Council to successfully apply for planning and landowner's permissions to keep 13 artworks from Folkestone Triennial 2021. The exhibition continues to be maintained to a high standard and repairs this year were carried out on more than 10 artworks, including Nathan Coley's 'Heaven Is a Place Where Nothing Ever Happens' (2008) and Bill Woodrow's 'The Ledge' (2017).

Jyll Bradley's 'Green/Light (for M.R)' (2014), situated on the disused gasworks site, was deinstalled in February 2023 as Folkestone and Hythe District Council were to soon start work on the site. The departure of the artwork was marked with a party featuring music, a dance performance, and words from the artist.

The exhibition continued to be enjoyed by visitors, students, and our local community and we continued to offer tours, walks to, and talks about the artworks.

#### **Quarterhouse**

Quarterhouse is our bespoke, fully accessible performance space where people enjoy, each year, a diverse programme of music, theatre, comedy, talks, discussions, dance, festivals, and community gatherings. It is the leading regional arts centre for three rural and coastal districts with a population of over 300,000, attracting people from all backgrounds and protected characteristic groups to its diverse and democratic programme. The programme offers at affordable prices something for everyone in our community.

In 2022/23, the Quarterhouse Performance Programme staged 96 performances, attracting a total of 8,996 people.

#### **Family Shows**

The children's theatre bounced back in April and May with four shows for younger children. November and December saw three more family theatre companies taking to the Quarterhouse stage including the internationally acclaimed puppet and object theatre duo Indefinite Articles presenting 14 shows of their version of the classic Aladdin tale, The Magic Lamp. One of the highlights of the year was Slime, produced by The Herd Theatre, with a relaxed performance for small children.

Animals, produced by Dens & Signals, which had been developed by Creative Folkestone as part of the SALT Festival 2018 returned in May 2022 which was aimed at children aged 7+.

At the beginning of December, Toucan Theatre invited young people with profound and multiple learning disabilities to one of their 10 performances, to join them in their magical den to teach The Naughty Fox an important lesson that it is better to share.

Mrs H & The Sing-Along Band brought their unique family music back to Folkestone with 10 shows over the year. The production was aimed at very young children up to the age of 5 years of age and was welcomed by an enthusiastic audience.

#### **Theatre and Dance**

In May we hosted mapdance, University of Chichester's graduate dance company, who performed three newly commissioned dance pieces and one reproduction, designed by emerging and established contemporary choreographers.

In September, Seeta Patel Dance used the Quarterhouse auditorium as part of the Open Sesame artists development programme, to film their current project The Rite of Spring. The dancers and film crew were in residence for four days and were supported by our specialist production team.

During October hip hop group Illegal Dance, led by renowned choreographer Toni Adigun with his Avant Garde Dance Company, performed in the auditorium. A & E Comedy also returned in October with their surreal and darkly hilarious fairy tale Witch Hunt in which they explored the possibility of witchcraft taking down the patriarchy.

## CREATIVE FOLKESTONE

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In November, the Rhiannon Faith Company presented their socially conscious piece Drowntown in which strangers to a coastal area explored their struggle with isolation, shame and a failed support system.

#### Music

Three live music events took place during April and May 2022 at Quarterhouse presented by the independent Brighton based music promotions company Melting Vinyl. The highlight was a concert by Canadian American singer-songwriter and actress Martha Wainwright who introduced songs from her latest album 'Love will be Reborn'.

As part of the SALT & EARTH Festival, The Longest Johns brought to the stage a live performance of legendary folk songs and sea shanties with themes highlighting the land and the sea.

In October, the Sacconi Quartet invited audiences to a classical concert titled Beethoven in the Dark produced in collaboration with theatre and opera director Tom Morris and lighting designer Mike Gunning. The event was a further development of the series of the musical pieces performed at their 15th Annual Chamber Music Festival in May (see 'Festivals' for further details).

March 2023 saw the launch of Quarterhouse Lates, regular free nights of dancing that took place in The Clearing on Fridays from 8pm – 1am. The evenings brought in the best local and regional DJs presenting music ranging from jazz, house, funk and soul to disco vibes.

#### Comedy

The perennially popular comedy programme at Quarterhouse hosted 12 comedians over the year, attracting audiences of 2,492 people.

Quarterhouse welcomed the 'newspaper columnist of the year' Mark Steel in May with his touring show Every Little Thing's Gonna be Alright. This was followed, in June, by an acerbic stand-up comedy/music gig by Mike Hall.

September was a bumper month for comedy at Quarterhouse with Simons Evans and Kiri Pritchard-McClean and culminating in a sold out show by Omid Djalili.

The autumn presented award winning comedian, writer and actor Tom Allen, a master of mixing classic camp comedy with contemporary observational humour.

The 2023 shows included a 'furiously funny' reflection by Jen Brister on the impact the Covid pandemic had on her attitude to life and, due to popular demand, two performances by one of the UK's top stand-ups, Chris McCausland, who visited Folkestone as part of his UK wide tour. Both presented in front of a sold-out Quarterhouse auditorium.

#### Live Screening and Film

In total, seven Royal Opera House (ROH) and eight National Theatre (NT) live screenings were shown throughout the year and were initially attended by a modest number of people (25-30% theatre capacity). Ticket sales picked up for NT live, with a sold-out screening in July of the award-winning solo performance theatre play Prima Facie in which Jodie Comer (Killing Eve) made her West End debut in the UK premiere of Suzie Miller's award-winning play.

The three NT screenings shown in the first three months of 2023 all attracted more people than anticipated as did the popular Olivier Award-winning stage adaptation of The Life of Pi.

The Doc Club continued in 2022/23 with ten films presented throughout the year. Again, audience numbers were initially smaller than expected but then started to increase with the September film Eric Ravilious - Drawn to War. Another highlight was Kathryn Ferguson's documentary Nothing Compares in which she portrays Sinéad O'Connor's phenomenal rise to worldwide fame focusing on the years from 1987 to 1993. This was the last film the Folkestone Documentary Festival team presented in Quarterhouse as the Doc Club will move to Folkestone Silver Screen Cinema in April 2023.

## CREATIVE FOLKESTONE

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#### Festivals

The Festivals Fund, funded by The Roger De Haan Charitable Trust and administered by Creative Folkestone, continues to help local producers and curators to develop their own festivals with our support and advice. This year we were delighted to fund 12 local festivals in three rounds of funding. These small, but ambitious, festivals have become a hallmark of the town and contribute enormously to the arts ecology as well as a general sense of well-being and self-determination.

This year's festival fund festivals were; Folkestone Fringe for Profound Sound, Folkestone Pride, Folkestone New Music for Spring Song contemporary music series, Strange Cargo for Charivari, Origins Untold for Black History Month, Church Street Projects for Folkestone Sandcastle competition, Violet Pictures for Folkestone Documentary Festival, CT20 for Prescient Pool, Folkestone Fringe for SALT+EARTH Festival, Jim Jam Arts for Folkestone Living Advent Calendar, Folkestone Women's Forum for Take Up Space Festival, Folkestone Fringe for Profound Sound 2023.

Profound Sound, Folkestone's experimental sound music festival curated by Folkestone Fringe, Hot Salvation and Phantom Limb took place in April and presented a diverse line-up of international, experimental artists.

The Sacconi String Quartet was back performing live at Quarterhouse for four days in May, presenting their 15th Annual Chamber Music Festival titled On the Streets and in the Sky. As part of the festival, the artist Kate Beaugié presented her sound and light installation Beethoven on the Beach Revisited in the huge spaces of The Grand in Folkestone.

#### **SALT & EARTH: Festival of Landscape, Seascape & Environment**

From the 23-25 September 2022 the SALT Festival of the Sea & Environment returned in an expanded format curated and produced in partnership with Folkestone Fringe and Kent Downs Area of Outstanding Natural Beauty (AONB) with an estimated audience of 5,000.

The SALT & EARTH Festival presented a weekend of artworks, walks, workshops, community gatherings and other activities. People were invited to explore the environment and the communities around them and reflect on the way they engage with the climate crisis.

The festival brought together 12 pieces of newly commissioned work by local artists responding to Kent Downs AONB's bid to become a UNESCO Geopark linking the chalk uplands of the North Downs with the Parc Naturel Regional des Caps et Marais d'Opale across the Channel, in Northern France.

Commissioned artists included Alison Neighbour, Anne Deeming, Craig Gell, Dr. Legumes, Fiorino & Ferreira, Judith Anketell, Manuel Vason, Origins Untold, Rubiana Maia, Sara Trillo, Aaron Kobb and SITE. Artist commissions were underpinned by research across the geopark area with experts in the field facilitated by Kent Downs AONB. For the first time we collaborated with Shape Arts, a disability led arts organisation with a focus on improving access to culture for disabled people.

As part of the festival weekend, the programme also offered talks from leading geologists, a swim, a sauna, a soundwalk, a locally sourced community meal and the shanty band, The Longest Johns, to maintain the festival feel.

#### **New Queers on the Block (NQOTB)**

NQOTB is a space for the development and celebration of LGBTQIA+ artists and communities led by Marlborough Production; a Brighton based company with a focus on the production of LGBTQIA+ artist led projects. The company delivers the projects together with partners all over the UK including Creative Folkestone.

This year the emphasis was on artist development with four selected artists in residence at partner venues – Rowdy SS, Tammy Reynold, Whiskey Chow and Estabrak. The artists were in-residence in Folkestone during the last week in June and showed their work in progress as part of First Fridays in several locations over the Open Quarter weekend at the beginning of July. They received support from Creative Folkestone and Ash McNaughton, a local producer and creative freelancer.

## **CREATIVE FOLKESTONE**

### **Report of Trustees For the year ended 31 March 2023**

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As part of this year's NQOTB programme, we were also invited to nominate and support a local LGBTQIA+ artist. We selected the genderqueer artist Ray Carter from Seabrook who benefitted from access to studio space, mentoring and a grant of £2,000 to be spent on their artistic development.

#### **Folkestone Pride**

Folkestone Pride has gone from strength to strength over the past years and this year we provided financial support through our Festivals Fund (funded by RDHCT) in addition to hosting the Folkestone Pride After Party and popular evening show Salty Cabaret with a programme packed with daring drag, experimental vocals, iconic dance routines and wondrous speciality acts.

#### **Fly with me**

On 20th August over 100 children and their families responded to an invitation to join Fly with Me to mark the first anniversary of the fall of Kabul to the Taliban. In partnership with Folkestone Fringe, KRAN, Napier Barracks, local artists and Afghan story tellers we joined this national project that brought together Afghan refugees and their host communities to make and fly kites to honour Afghan tradition and culture. In the afternoon the children were joined by kite flyers of all kinds on Folkestone beach to fly their kite creations during a gloriously windy hour.

#### **Folkestone Book Festival**

Creative Folkestone hosts the annual Folkestone Book Festival, one of the UK's oldest book festivals, attracting a wide range of diverse speakers and authors and providing a forum for discussion and debate for audiences of all ages and interests.

Curated for the last time by Sean Doran and Liam Browne and generously supported by Principal Sponsor, News Now, Creative Folkestone Book Festival covered an incredible range of topics from politics to Proust, banned books to brain surgery, rest to revolution and everything in between. We were thrilled to welcome a diverse range of speakers and authors including Anil Seth, Deborah Levy, Juno Dawson, Gavin Esler, Astrid Goldsmith, Miriam Margolyes, Hannah Azieb Pool, Richard Ovenden, Will Self, Margaret Busby, Claudia Hammond, Margo Jefferson, Joseph Coelho.

The programme offered 32 in-person and online events attended by an audience of 4,207 which includes 700 people who watched videos published on YouTube.

Through the schools' programme, three award-winning and best-selling authors presented five events for children and young people. A total of 1,277 pupils and teachers from 15 schools engaged in person and digitally for free.

The free schools programme, along with an intergenerational workshop programme, continues to contribute to the literacy of the town.

#### **Learning and Engagement**

Our extensive learning and engagement programme returned to pre-Covid levels of activity reaching over 5,500 participants with 339 events. Our programme is for all ages, genders, abilities, backgrounds and ethnicities, working in schools, with FE/ HE students and with families. We delivered our after school and summer school programme NEON for young people between the ages of 4-16 offering more than 240 children of different age groups the opportunity to work on developing stories, creating puppets and props, producing films and sound recordings.

We worked extensively with local community groups and charities including MIND, Surestart, Homestart, Touchbase (a local charity for adults with learning difficulties), KRAN (Kent Refugee Action Network), Age UK and Young Carers.

## **CREATIVE FOLKESTONE**

### **Report of Trustees For the year ended 31 March 2023**

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The Young Animators Club continued and was attended by a total of 150 children aged between eight and 16. Two of the summer workshops were specifically designed for autistic/ASC children and young adults. Ten family workshops took place over the year in the digital:glassworks studio, partly run by local artists and attended by a total of 528 people. Included were ceramic, sound production, photography, film, collage and sculpture making, textile, fabric and paper workshops and a day during which families collectively created a map of Folkestone highlighting their places of happiness and well-being.

The professional graduate dance company mapdance from the University of Chichester took their Quarterhouse performance in May as an opportunity to offer students from Folkestone Academy and The Folkestone School for Girls two workshops to learn more about their repertoire of dance theatre.

In total, 23 in-school workshops attended by 631 children and young people took place during the last year.

Workshops were also offered to community groups including Young Carers, the mental health charity South Kent Mind and, for the first time, two sessions specifically intended for residents of Napier Barracks.

We established a project working with students from The Edge, at Folkestone College, to find different engagement opportunities for them within our programmes and projects. Ten students visited Prospect Cottage in Dungeness as part of our R&D Programme, and a further ten visited various buildings throughout the Creative Quarter and met the people working there. Three students will have an ongoing connection with the development of the Sixth Folkestone Triennial. This connection, with our local further education institution, provides these young people with a greater understanding of the potential creative careers available in their hometown.

In September we offered, for the first time, a class for adults with sessions taking place once a month until March. Participants were able to develop their drawing skills, experiment with monoprinting, drypoint, collagraphy and heat press printing techniques. At the end of the course the work was exhibited in the Creative Quarter at the Fourth Wall gallery space, which raised even more interest for the subsequent course and led to a first sale for one of the artists.

#### **Community Engagement**

In addition to using our buildings as the base for our own learning programme, we support artists' development and community creative engagement through partnership working. This includes free use of our spaces for Folkestone's Women's Forum (12 per annum), Folkestone Food Hub (weekly), Folkestone Book Group (monthly), Artists Development (24 per annum), Yo Songsters (weekly), Young Strings (weekly in term time), Folkestone Performing Arts (weekly in term time), Confidance and Confico (weekly in term time), MCDC Dance (monthly), Shepway Youth Group (weekly in term time).

#### **Prospect Cottage**

Prospect Cottage, on the Dungeness Estate, was the home of British film director Derek Jarman. He lived there from 1986 until his death in 1994. Jarman turned the cottage into a work of art and cultivated a garden in the surrounding shingle where he grew hardy plants mixed with sculptures made from driftwood and other flotsam.

In 2020, the Art Fund led a campaign that raised over £3,600,000 to purchase Prospect Cottage and create a fund to support it in the future thus saving the Cottage for the nation and allowing it to become a centre for creative activity. Creative Folkestone, as the largest arts organisation in the region with a focus on creative placemaking, has become the custodian of this iconic cottage and gardens. The charity signed a 125 year lease for the cottage with the Art Fund on 2 December 2021 and receives an annual payment to help maintain and manage it.

## **CREATIVE FOLKESTONE**

### **Report of Trustees For the year ended 31 March 2023**

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As custodians of Prospect Cottage we continued to undertake critical conservation work in the cottage and the garden in order to protect, care for and share Jarman's remarkable legacy and maintain the space for public access and use. Last year a number of essential repairs were undertaken. This included fitting new CCTV, burglar and fire alarm systems, new medicinal flower beds, electrical and asbestos surveys, fire risk assessments and repairs to the roof, doors and windows. The remaking and installing of the poem, *The Sunne Rising* by John Donne, on the outside wall of the cottage has also been completed.

The public visits began in July 2022, with residencies following in August. The public visiting programme has been a real success, enjoyed so far by 1,440 visitors and feedback has been overwhelmingly positive.

Creative Folkestone was successful in securing a Project Grant of £30,000 from Arts Council England to pilot a residency programme in 2022/23. This grant, along with a donation of £10,000 from Rockefeller Philanthropy, enabled Creative Folkestone to set up a programme for 12 months.

The residency selection panel is chaired by Tacita Dean with the following members:

Sir Isaac Julien (Artist)  
Ali Smith (Author)  
James McKay (Jarman's producer)  
James Weddup (British Film Institute)  
Alastair Upton (Chief Executive, Creative Folkestone)  
Ying Tan (Art Fund)

We were inundated with excellent applicants, receiving 470 applications for four one-month long residencies. The panel met and chose nine individuals across a range of disciplines, for some shorter residencies in order to accommodate more candidates. The successful applicants were offered anything between a week and a three week residency. In addition, there were over 80 applicants for shorter R&D residencies. A total of 25 shorter R&D residencies took place.

The R&D residents included two Folkestone Book Festival speakers; Deborah Levy and Juno Dawson. Both authors delivered their incredibly moving and thought provoking pieces to Book Festival audiences.

### **Diversity**

Diversity and equality are embedded in all Creative Folkestone activities that will give everyone in the community, independent of their racial and social background and ability, the chance to have a full cultural and creative life. There is an understanding in our organisation that the more we embrace diversity, the richer the results will be.

Our aim is to represent the diversity of Britain in our creative programme, on our stages and in our exhibitions and to represent the diversity of our community in our team, governance, staff, volunteers, tenants and audiences.

We continue to do this by recognizing under-served communities and taking action to actively develop and grow relationships, reaching out to and involving local communities in our work, working in partnership and through removing barriers and increasing access, opportunity, participation, and involvement.

### **Environment**

Creative Folkestone is committed to reducing its environmental impact year on year with the aims and objectives set out in our Environmental and Sustainability Policy and Plan, drafted initially in 2018 and reviewed annually. Our plan centres around measuring the reduction of energy, water and waste in our performance venue, Quarterhouse. The achievements are measured through the online monitoring system, Green Creative Tools, developed by the charity Julie's Bicycle for the arts and culture sector. In addition, the system was used to calculate the carbon footprint of audiences' travelling to Quarterhouse.

## CREATIVE FOLKESTONE

### Report of Trustees For the year ended 31 March 2023

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The default setting was developed by the Julie's Bicycle based on average audience travel data in the UK.

The Quarterhouse's overall environmental impact, measured in carbon dioxide equivalent (CO<sub>2</sub>e), was 104 tonnes, an increase of 7 tonnes from the previous year. Of this, 34 tonnes related to energy use, a reduction of 5 tonnes from 2021/22. Water and sewage were slightly up to 280kg compared to 275kg, waste remained the same at 13 tonnes, and audience travel had increased to 56 tonnes CO<sub>2</sub>e compared to 44 tonnes the previous year.

The increase in audience travel data, and related environmental impact, reflects the gradual return of the live programme to Quarterhouse. Covid lockdowns and social distancing still had an impact on the programme at the beginning of the year but event and audience numbers returned to pre-Covid levels by September. Therefore, the overall increase (7.2%) is due to increased audience travel (27.3%) with the use of energy reduced by a remarkable 13%.

A new environment policy has been written which confirms our continued commitment to reduce the carbon footprint created by Quarterhouse activities but extends Creative Folkestone's responsibilities, for the first time, to the Creative Quarter with data being collected from our tenants and all of our properties. Progress has been made towards our environmental targets this year including; installation of four electric vehicle charging points in the Mill Bay car park, the ongoing installation of LED lighting in Quarterhouse, and funding is in place to install solar panels on Quarterhouse roof following the success of an application to the FHDC Green Business Grant.

#### Press and Media

We continued to utilise the press to demonstrate the appeal of Folkestone as a great place to live, work and play. Several key articles this year have focused on the groundbreaking work of Creative Folkestone and the ways in which the arts-led regeneration model has inspired meaningful change in the town.

Prospect Cottage has continued to draw attention from press and media outlets both nationally and internationally. This includes Time Out's item regarding the vacancy for a Prospect Cottage Custodian. We have maintained positive working relationships with several local media sources including KM Media Group, Academy FM, BBC Radio Kent, BBC South East and others. These outlets have focused on local items that have promoted positive news stories.

#### Press highlights 2022/23:

- **The Times**, Fri 24 Mar 2023,  
*Why Folkestone, Kent, is one of the best places to live 2023*  
by Tim Palmer  
Online subscribers: 539,000  
<https://www.thetimes.co.uk/article/folkestone-kent-best-place-to-live-uk-2023-5hjvxzm8s>
- **The Guardian**, Sat 19 Nov  
*'You might as well be on the moon': the authors taking residence in Derek Jarman's home*  
by Laura Barton  
Online monthly readership: 18.4 million  
<https://www.theguardian.com/books/2022/nov/19/authors-deborah-levy-juno-dawson-derek-jarman-home>
- **Londonist**, Fri 18 Nov,  
*Why you should go to... Folkestone*  
by Charlotte Maughan Jones  
Online monthly readership: 1.5 million  
<https://londonist.com/london/beyond-london/things-to-do-folkestone-kent-day-out>

## CREATIVE FOLKESTONE

### Report of Trustees For the year ended 31 March 2023

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- **National Geographic**, Tue 11 Oct,  
*How art and ancient history collide on a hike through Deal, Dover and Folkestone*  
by Richard James Taylor  
Online monthly readership: 9.5 million  
<https://www.nationalgeographic.co.uk/travel/2022/09/how-art-and-ancient-history-collide-on-a-hike-through-deal-dover-and-folkestone>
- **Suitcase Magazine**, Tue 6 Sep  
*Eight Artists' Havens You Can Visit*  
by Gilly Hopper  
Online monthly readership: 77,000  
<https://suitcasemag.com/articles/artists-havens>
- **The Sunday Times**, Sun 19 Jun,  
*The best up-and-coming areas to invest in the UK for 2022*  
by Tim Palmer  
Online subscribers: 539,000  
<https://www.thetimes.co.uk/article/the-best-up-and-coming-areas-to-invest-in-the-uk-for-2022-ngktbbszd>
- **Time Out**, Tue 3 May,  
*Jarman's magical Kent cottage needs a new guardian*  
by Sophie Dickinson  
Online monthly readership: 7.4 million  
<https://www.timeout.com/news/fancy-a-change-of-scene-derek-jarmans-magical-kent-cottage-needs-a-new-guardian-050322>

### Future Plans

In March 2023, Creative Folkestone will start a new round of Arts Council NPO funding. As an NPO, Creative Folkestone is committed to the outcomes in Let's Create which are Creative People, Cultural Communities, and a Creative and Cultural Country. We are committed to embedding the ACE investment principles of Inclusivity and Relevance, Environmental Responsibility, Dynamism, and Ambition and Quality into everything that we do.

Our tenants in the Creative Quarter continue to need our support and advice to help them build on the strength and resilience they continue to demonstrate in the face of extremely adverse conditions arising from a post pandemic world and compounded by the rise in utility bills and the cost of living.

The Creative Quarter Team will continue to strive towards maintaining full occupancy levels with a focus on filling the remaining empty premises in digital:glassworks. The Creative Quarter continues to grow and develop with the recruitment of new tenants from an increasingly high-quality pool of applicants.

The Creative Quarter is not just a physical area but a very significant Folkestone community that having been founded by Creative Folkestone needs nurturing. One part of our support will be the annual Open Quarter festival and other opportunities to help the tenants will be sought throughout the year. Maintenance standards will be kept high, with quick response times to issues. Any major, proactive investments will be aimed at green initiatives.

Our work to lower utility costs through reduced use will continue. Solar panels will be installed with the support of the Folkestone and Hythe District Council Green Fund. At the same time, additional funds will be sought to invest in more efficient systems. The priority in the year will be around energy efficiency and production.

## **CREATIVE FOLKESTONE**

### **Report of Trustees For the year ended 31 March 2023**

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The Artworks are an extremely important part of the Folkestone townscape for residents and are enjoyed by a high proportion of the town's million plus annual visitors. The Seagull will be deployed, at the start of the season, to provide a focal point for visitors to gain information about the Artworks. With the number of artworks in the exhibition growing, we will also deploy a digital approach to delivering visitor information and a map.

As a partner of the European funded network project Hi3 we will continue to disseminate to local film and video creatives information about training, skills enhancement and networking opportunities delivered by our partner Screen South.

With plans for the sixth edition of Folkestone Triennial firmly underway and with our new curator, Sorcha Carey bringing a fresh perspective and energy, the project team's work in 2023/24 will be key to the success of the exhibition.

Our work in delivering creative services to Folkestone's Levelling Up project represents art making change on a scale we have not done before and nor, do we feel, have other people. The commission for artistic input is essential to bring the community together, to increase civic pride and to attract national attention for the important structural changes that will be made. The commissions will give us the opportunity to go into areas of Folkestone where we have not placed work previously, enabling us to broaden our reach.

The visits of potential artists for the 2024 Triennial will continue during the year. By the end of the year there will be a full roster of artists with commissions under development (the dates and theme will have been set), published and a full visitor plan in place ready to welcome the audience.

The Performing Arts programme will see an acceleration providing more late-night dance and music events tested in 2022/23. This gives the opportunity to produce events for a younger adult audience, a demographic currently underserved by our work and needed in Folkestone. The programme of music, comedy and streaming (National Theatre and Royal Opera House) will continue to serve audiences with a wide age range of creative offering.

Our Learning and Engagement Programme will continue to consolidate relationships with schools across Folkestone, Hythe & Romney Marsh and to develop our family offer through an increasingly diverse range of open access workshops, including the regular Neon after-school series and Young Animators Club. There will be an adult learning offer which will be delivered throughout the year. Work in Progress and Block 67 will be concentrated on our learning and community programme, while work with specific adult groups such as Mind will continue.

There will be an extensive range of creative community activities supported by Creative Folkestone in Quarterhouse and Glassworks including Folkestone Performing Arts Group, Improvgym, Confidance and Confico (dance for people with learning disabilities).

The Festivals Fund will continue to offer opportunities to local curators to develop their own festivals with the support of the Performing Arts team. Strange Cargo, Folkestone Pride, First Timers Festival Music, Fable Fest, Sacconi, Jim Jam Arts and Church Street were all successful in their bids and will deliver their festivals in the coming year.

Our Book Festival will be programmed by two local curators, Jennifer Thatcher and James Harkin, supported by an editorial group from Folkestone. This hyper-local approach will support our artist development work and help deepen community engagement which should see the continued return of audiences to Quarterhouse in November. The festival will be created by the town for their community. It will be hyper-local in construction, looking at global issues through local concerns and interests.

# CREATIVE FOLKESTONE

## Report of Trustees For the year ended 31 March 2023

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We will continue to offer public visits. The residency programme will continue into a second year. R&D residents from the local area, including pupils from The Edge college, will continue to be given access to the cottage to gain inspiration. Relationships will continue to be strengthened with partner organisations and the local community, and the cottage will continue to be used as a resource for the Book Festival and our Learning and Engagement Programme.

Creative Folkestone will build on last year's achievements and deliver a full programme of activities to help us achieve our vision to make Folkestone a better place to live, work, play and visit through creativity and regeneration for all.

### 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 2023, the Charity achieved a surplus of £85,973 (2022: surplus, £1,018,685, of which £1,647,500 relates to the value of property donated by the Roger De Haan Charitable Trust (RDHCT)).

The Charity has faced considerable challenges as a result of high levels of inflation with restrictions placed on its charitable activities, staff movement and tenants' premises. In response, the Charity reduced its costs wherever possible adapting its operations and providing 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 2023 with a balance sheet value of £14.6 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 2023 relates principally to the Charity's properties in the Creative Quarter rather than available cash resources.

The organisation is managed in a qualitative way. It has an agreed set of delivery objectives with the Arts Council and therefore focuses its performance to ensure the achievement of these outcomes. In addition, it has in place a limited number of high level financial KPI's and ensures through its reporting and governance structures that these objectives are scrutinised.

### 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 for its free reserves. The figure has a ceiling raised temporarily in anticipation of a difficult economic environment. Current non-designated reserves are £600,000 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.

## CREATIVE FOLKESTONE

### Report of Trustees For the year ended 31 March 2023

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#### 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 £561,000 to Triennial 2025.

#### Investment policy

During the year the Charity held funds on cash deposit. Following the year end the trustees are exploring investment in UK Government bonds.

#### 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 regularly addresses 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.

#### 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

In accordance with the charitable company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as audit will be put at a General Meeting.

#### 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 25<sup>th</sup> September 2023 and signed on their behalf, by:



Sir Roger M De Haan – Chair of Trustees

## **CREATIVE FOLKESTONE**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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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

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## **Opinion on financial statements**

We have audited the financial statements of Creative Folkestone (the 'charitable company') for the year ended 31 March 2023 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 2023 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

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## **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 19, 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

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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 judgements and estimates.

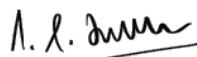
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATIVE FOLKESTONE

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## 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.



Nicholas Sladden (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP  
Statutory Auditor, Chartered Accountants  
25 Farringdon Street  
London, EC4A 4AB

02/10/23

## CREATIVE FOLKESTONE

### Statement of Financial Activities (Including Income and Expenditure Account)

For the year ended 31 March 2023

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				2023	2022
	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£
<b>Income from:</b>					
Donations and legacies	3	6,481	34,000	40,481	1,724,665
Charitable activities	4	2,603,745	25,000	2,628,745	3,141,017
Other trading activities	5	118,918	-	118,918	66,381
Investments	6	5,270	-	5,270	618
Total income		<u>2,734,414</u>	<u>59,000</u>	<u>2,793,414</u>	<u>4,932,681</u>
<b>Expenditure on:</b>					
Charitable activities	7	2,500,970	161,452	2,662,422	3,882,153
Other trading activities	10	45,019	-	45,019	31,843
Total expenditure		<u>2,545,989</u>	<u>161,452</u>	<u>2,707,441</u>	<u>3,913,996</u>
<b>Net income/(expenditure)</b>		188,425	(102,452)	85,973	1,018,685
Transfers between funds		(10,877)	10,877	-	-
<b>Net movement in funds</b>		<u>177,548</u>	<u>(91,575)</u>	<u>85,973</u>	<u>1,018,685</u>
<b>Total funds at 1 April</b>		1,251,110	19,558,828	20,809,938	19,791,253
<b>Total funds at 31 March</b>		<u>1,428,658</u>	<u>19,467,253</u>	<u>20,895,911</u>	<u>20,809,938</u>

# CREATIVE FOLKESTONE

## Balance Sheet

At 31 March 2023

Company Registration Number: 04566484

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	14	19,680,486	19,784,751
Heritage assets	15	53,400	53,400
Investments	16	1	1
		<hr/>	<hr/>
		19,733,887	19,838,152
<b>Current assets</b>			
Debtors	17	204,545	290,386
Cash at bank and in hand		1,398,391	1,096,468
		<hr/>	<hr/>
		1,602,936	1,386,854
<b>Creditors: amounts falling due within one year</b>	18	(440,912)	(415,068)
<b>Net current assets</b>		<hr/>	<hr/>
		1,162,024	971,786
<b>Net assets</b>		<hr/>	<hr/>
		20,895,911	20,809,938
<b>Funds</b>			
Unrestricted funds	21	1,428,658	1,251,110
Restricted funds	21	19,467,253	19,558,828
		<hr/>	<hr/>
<b>Total funds</b>		20,895,911	20,809,938

The financial statements on pages 24 to 40 were approved by the board and authorised for issue on

25<sup>th</sup> Sept. 2023 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 2023

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	Notes	2023 £	2022 £
<b>Cash inflow/(outflow) from operating activities:</b>			
Net cash generated from/(used in) operating activities	23	296,653	(429,199)
Interest received		5,270	618
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>301,923</u>	<u>(428,581)</u>
Cash and cash equivalents 1 April		1,096,468	1,525,049
Cash and cash equivalents 31 March		<u>1,398,391</u>	<u>1,096,468</u>
<b>Relating to:</b>			
Cash at bank and in hand		<u>1,398,391</u>	<u>1,096,468</u>

# CREATIVE FOLKESTONE

## Notes to the Financial Statements For the year ended 31 March 2023

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### 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, modified to include certain fixed assets at fair value. 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 at least 12 months from signing these financial statements. 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. The Trustees have reviewed in detail the Charity's position and the appropriate basis on which to prepare the financial statements.

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 issues as they unfold. The cash position is strong, the Charity has no debt, the rental income has so far held up well. Funding from the Arts Council has been secured for the next three years. The Trustees recognise that 2023/2024 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.

#### Change in accounting estimate

During the year, the Charity changed its policy to depreciate its freehold property from 50 years on a straight line basis to 150 years on a straight line basis. The impact on the financial statements will be that depreciation on the freehold property of the Charity will decrease from approximately £120,000 annually to approximately £40,000 annually.

#### Income

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

# CREATIVE FOLKESTONE

## Notes to the Financial Statements (continued) For the year ended 31 March 2023

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### 1 Accounting policies (continued)

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.

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 Charities 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 Charities 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 2023

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### 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	150 years straight line
Long leasehold and leasehold improvements	250 years straight line
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).

During the year, the Trustees of the Charity received written confirmation that the lessor of the long leasehold properties intends, in the future, to extend the leases in order to enable Creative Folkestone to continue to occupy the properties in furtherance of its charitable purposes. Based on this, the Trustees of the Charity now consider that the useful economic life of these assets is 250 years (previously 125 years).

#### 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.

#### 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 2023

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### 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 the 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.

This scheme ended in November 2021 and no further arrangements have been generated.

### 2 Accounting estimates and areas of judgement

In application of the Charity's accounting policies, the Trustees are required to make judgements, 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 judgements

##### 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	2023 £	2022 £
<b>Restricted</b>		
Roger De Haan Charitable Trust:		
Transfer of leasehold properties	-	1,647,500
Folkestone Festivals Fund	34,000	66,000
<b>Total restricted</b>	<hr/> 34,000	<hr/> 1,713,500
<b>Unrestricted</b>		
Eurotunnel donation	-	6,000
Other	6,481	5,165
<b>Total unrestricted</b>	<hr/> 6,481	<hr/> 11,165
<b>Total donations and legacies</b>	<hr/> <hr/> 40,481	<hr/> <hr/> 1,724,665

# CREATIVE FOLKESTONE

## Notes to the Financial Statements (continued) For the year ended 31 March 2023

### 4 Charitable activities

	Rental income	Grants	Other sources of income	Total
	£	£	£	£
Creative Quarter	1,490,964	-	-	1,490,964
Folkestone Triennial	-	-	341,561	341,561
Folkestone Artworks	-	-	109,422	109,422
Prospect Cottage	-	-	164,797	164,797
Quarterhouse	18,749	75,000	73,495	167,244
Arts Programme Festivals and events	-	-	7,752	7,752
Learning & Engagement Development	-	-	21,725	21,725
	-	267,698	57,582	325,280
<b>2023 Total activities</b>	<b>1,509,713</b>	<b>342,698</b>	<b>776,334</b>	<b>2,628,745</b>
<b>2022 Total activities</b>	<b>1,427,589</b>	<b>481,582</b>	<b>1,231,846</b>	<b>3,141,017</b>

Of the £2,628,745 income received in the period to 31 March 2023, £25,000 was attributable to restricted funds and £2,603,745 was attributable to unrestricted funds.

Of the £3,141,017 income received in the period to 31 March 2022, £725,297 was attributable to restricted funds and £2,415,720 was attributable to unrestricted funds.

### 5 Other trading activities

	Unrestricted	
	2023	2022
	£	£
Bar income	62,528	32,390
Parking income	35,635	29,569
Film and other sundry income	20,755	4,422
	<u>118,918</u>	<u>66,381</u>

### 6 Investments

	Unrestricted	
	2023	2022
	£	£
Deposit account interest	<u>5,270</u>	<u>618</u>

## CREATIVE FOLKESTONE

### Notes to the Financial Statements (continued) For the year ended 31 March 2023

7 Charitable activities	Direct Costs £	Grants payable £	Support costs £	Total £
Creative Quarter	881,776	-	236,171	1,117,947
Arts programme festivals and events	82,056	34,000	23,952	140,008
Folkestone Triennial	97,881	-	28,571	126,452
Folkestone Artworks	107,950	-	31,510	139,460
Prospect Cottage	119,959	-	35,016	154,975
Quarterhouse	607,757	-	222,124	829,881
Learning & Engagement Development	39,992	-	11,674	51,666
	102,033	-	-	102,033
<b>2023 Total activities</b>	<b>2,039,404</b>	<b>34,000</b>	<b>589,018</b>	<b>2,662,422</b>
<b>2022 Total activities</b>	<b>3,231,591</b>	<b>66,000</b>	<b>584,562</b>	<b>3,882,153</b>

Of the £2,662,422 charitable activities expenditure in the period to 31 March 2023, £161,452 was attributable to restricted funds and £2,500,970 was attributable to unrestricted funds.

Of the £3,882,153 charitable activities expenditure in the period to 31 March 2022, £1,039,854 was attributable to restricted funds and £2,842,299 was attributable to unrestricted funds.

8 Grants payable	Unrestricted 2023 £	2022 £
Arts programme festivals and events	34,000	66,000

### 9 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.

10 Other trading activities	Unrestricted 2023 £	2022 £
Bar expenditure	45,019	31,843

## CREATIVE FOLKESTONE

### Notes to the Financial Statements (continued) For the year ended 31 March 2023

	2023 £	2022 £
<b>11 Auditor's remuneration</b>		
Audit services – statutory audit of the Charity	24,750	21,500
Other services:		
Auditor's non-audit services	6,350	5,500
	31,100	27,000
	31,100	27,000
<b>12 Net income</b>		
	2023 £	2022 £
This is stated after charging:		
Depreciation	104,265	248,557
	104,265	248,557
	104,265	248,557
<b>13 Staff costs and remuneration of key management personnel</b>		
	2023 £	2022 £
Wages and salaries	807,121	845,086
Social security costs	78,194	69,712
Pension costs	72,923	65,672
	958,238	980,470
	958,238	980,470
The average monthly number of employees during the year was as follows:	2023 no.	2022 no.
Creative Quarter	4	4
Arts programme festivals and events	1	1
Development	2	2
Marketing	3	3
Learning and engagement	1	1
Management and administration	5	5
Quarterhouse	3	4
Triennial	1	5
Visitor Experience	5	7
Prospect Cottage	1	-
	26	32
	26	32
The number of employees whose emoluments for the year fell within the following bands was:		
£80,001 – £90,000	-	1
£90,001 – £100,000	1	-
	1	1
	1	1

All employees earning more than £60,000 in the current and previous year participated in the pension scheme. Contributions for the year totalled £12,825 (2022: £11,308).

## CREATIVE FOLKESTONE

### Notes to the Financial Statements (continued) For the year ended 31 March 2023

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#### 13 Staff costs and remuneration of key management personnel (continued)

The Chief Executive Officer, 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 £90,699 (2022: £80,015) and pension contributions for the period of £12,825 (2022: £11,308). Mr A Upton was also reimbursed expenses in his role as Chief Executive Officer totalling £2,771 which relate to travel, subsistence and telephone costs.

The Deputy Chief Executive Officer, Mrs F Kingsman received remuneration and benefits for her services in that office, through an employment contract with the Charity, of £52,775 (2022: £51,000) and pension contributions for the period of £5,278 (2022: £5,100).

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.

## CREATIVE FOLKESTONE

### Notes to the Financial Statements (continued) For the year ended 31 March 2023

14 Tangible fixed assets	Freehold property £	Long leasehold and leasehold improvements £	Plant and machinery £	Furniture & Fixtures £	Computer equipment £	Total £
<b>Cost</b>						
At 1 April 2022 and 31 March 2023	5,992,909	16,579,329	129,223	9,595	24,978	22,736,034
<b>Depreciation</b>						
1 April 2022	1,502,140	1,285,347	129,223	9,595	24,978	2,951,283
Charge for the year	39,952	64,313	-	-	-	104,265
31 March 2023	1,542,092	1,349,660	129,223	9,595	24,978	3,055,548
<b>Net book value</b>						
31 March 2023	4,450,817	15,229,669	-	-	-	19,680,486
31 March 2022	4,490,769	15,293,982	-	-	-	19,784,751

## CREATIVE FOLKESTONE

### Notes to the Financial Statements (continued) For the year ended 31 March 2023

15	Heritage assets	Total £
	<b>Market value</b>	
	At 1 April 2022 and 31 March 2023	<u>53,400</u>
	<b>Net book value</b>	
	At 1 April 2022 and 31 March 2023	<u>53,400</u>

Following the year end, the above assets were transferred to Folkestone Town Council.

16	Fixed asset investments	Shares in group undertakings £
	<b>Market value</b>	
	At 1 April 2022 and 31 March 2023	<u>1</u>
	<b>Net book value</b>	
	At 1 April 2022 and 31 March 2023	<u>1</u>

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

	Registered Office	Class of share	% held		Nature of business
			Directly	Indirectly	
The Creative Foundation (Trading) Limited	Quarterhouse, Mill Bay, Folkestone, Kent CT20 1BN	Ordinary A	100%	-	Dormant

17	Debtors: amounts falling due within one year	2023 £	2022 £
	Trade debtors	10,710	40,002
	Other debtors	40,783	42,962
	VAT	8,498	-
	Prepayments and accrued income	144,554	207,422
		<u>204,545</u>	<u>290,386</u>

## CREATIVE FOLKESTONE

### Notes to the Financial Statements (continued) For the year ended 31 March 2023

<b>18</b>	<b>Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Trade creditors	138,122	95,936
	Amounts owed to group undertakings	647	647
	Social security and other taxes	15,738	9,878
	Other creditors	148,440	139,322
	Accruals	82,042	70,020
	Deferred income (note 18a)	55,923	99,265
		<u>440,912</u>	<u>415,068</u>
<b>18a</b>	<b>Deferred income</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Deferred income as at 1 April	99,265	256,871
	Income received requiring deferment	55,923	99,265
	Release of income during the year	(99,265)	(256,871)
	Deferred income as at 31 March	<u>55,923</u>	<u>99,265</u>

Deferred income of £41,934 (2022: £41,695) represents income received in advance for property rentals, £13,989 (2022: £57,570) represents income received in advance in relation to grants.

### **19 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 £72,923 (2022: £65,672). The total contributions outstanding at the year-end were £Nil (2022: £Nil).

# CREATIVE FOLKESTONE

## Notes to the Financial Statements (continued) For the year ended 31 March 2023

<b>20</b>	<b>Analysis of net assets between funds – 31 March 2023</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total Funds 2023 £</b>	<b>Total funds 2022 £</b>
	Fixed assets	266,633	19,467,253	19,733,886	19,838,151
	Investments	1	-	1	1
	Current assets	1,592,936	10,000	1,602,936	1,386,854
	Current liabilities	(430,912)	(10,000)	(440,912)	(415,068)
		<u>1,428,658</u>	<u>19,467,253</u>	<u>20,895,911</u>	<u>20,809,938</u>
	<b>Analysis of net assets between funds – 31 March 2022</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total Funds 2022 £</b>	<b>Total funds 2021 £</b>
	Fixed assets	279,323	19,558,828	19,838,151	18,439,208
	Investments	1	-	1	1
	Current assets	1,386,854	-	1,386,854	1,972,966
	Current liabilities	(415,068)	-	(415,068)	(620,922)
		<u>1,251,110</u>	<u>19,558,828</u>	<u>20,809,938</u>	<u>19,791,253</u>
<b>21</b>	<b>Movement in funds</b>		<b>At 31 March 2022 £</b>	<b>Net movement in funds £</b>	<b>At 31 March 2023 £</b>
	<b>Unrestricted funds</b>				
	General fund		560,191	94,635	654,826
	Designated funds		475,875	84,726	560,601
	Freehold property		215,044	(1,813)	213,231
			<u>1,251,110</u>	<u>177,548</u>	<u>1,428,658</u>
	<b>Restricted funds</b>				
	Freehold properties		4,264,848	(27,262)	4,237,586
	Leasehold properties		15,293,980	(64,313)	15,229,667
			<u>19,558,828</u>	<u>(91,575)</u>	<u>19,467,253</u>
	<b>Total funds</b>		<u>20,809,938</u>	<u>85,973</u>	<u>20,895,911</u>

# CREATIVE FOLKESTONE

## Notes to the Financial Statements (continued) For the year ended 31 March 2023

### 21 Movement in funds (continued)

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

	Income	Expenditure	Transfer	Movement in funds
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	2,734,414	(2,345,902)	(293,877)	94,635
Designated funds	-	(198,274)	283,000	84,726
Freehold property	-	(1,813)	-	(1,813)
	<u>2,734,414</u>	<u>(2,545,989)</u>	<u>(10,877)</u>	<u>177,548</u>
<b>Restricted funds</b>				
Quarterhouse	25,000	(25,000)	-	-
Freehold Property	-	(38,139)	10,877	(27,262)
Leasehold Properties	-	(64,313)	-	(64,313)
Arts Programme Festivals & Events	34,000	(34,000)	-	-
	<u>59,000</u>	<u>(161,452)</u>	<u>10,877</u>	<u>(91,575)</u>
<b>Total funds</b>	<u>2,793,414</u>	<u>(2,707,441)</u>	<u>-</u>	<u>85,973</u>

The transfer of £10,877 during the year between the general fund and the freehold property restricted fund relates to a misallocation of depreciation in 2022 and 2021.

Details on funds are as follows:

<b>Quarterhouse</b>	The ownership and operation of the Quarterhouse Performing Arts Centre.
<b>Freehold Property</b>	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.
<b>Leasehold properties</b>	Represents the transfer of leasehold properties from the Roger De Haan Charitable Trust to the Charity.
<b>Arts Programme Festivals &amp; Events</b>	Festival ticket and fundraised income.
<b>Designated funds</b>	The Trustees have designated a total of 561,000, to Triennial 2025.

## CREATIVE FOLKESTONE

### Notes to the Financial Statements (continued) For the year ended 31 March 2023

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#### 22 Related party disclosures

The Roger De Haan Charitable Trust (RDHCT), a charity of which Sir Roger De Haan is a Trustee, donated leasehold properties valued at £Nil (2022: £1,647,500), made a payment of £101,439 (2022: £98,797) to the Folkestone Artworks and a grant of £Nil (2022: £311,000) for the Folkestone Triennial.

At the year end, the Charity owed £647 (2022: £647) to its subsidiary, The Creative Foundation (Trading) Limited.

Details of trustees' remuneration and benefits can be found in note 13.

23 Net cash flow from operations	2023 £	2022 £
Net surplus for the year	85,973	1,018,685
Depreciation	104,265	248,557
Interest received	(5,270)	(618)
Decrease in debtors	85,841	157,531
Increase/(decrease) in creditors	25,844	(205,854)
Donated assets	-	(1,647,500)
Net cash inflow/(outflow) from operating activities	<u>296,653</u>	<u>(429,199)</u>

#### 24 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 £Nil (2022: £505,214). At the year end, a balance of £Nil (2022: £Nil) was held by the charity. The scheme ended in November 2021 and did not generate any further arrangements.