

**REGISTERED COMPANY NUMBER: CE017389 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1183251**

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021  
FOR  
THE FACTORY OF CREATIVITY**

Heywood Shepherd  
Chartered Accountants  
1 Park Street  
Macclesfield  
Cheshire  
SK11 6SR

**THE FACTORY OF CREATIVITY**

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FOR THE YEAR ENDED 31 MARCH 2021**

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## **THE FACTORY OF CREATIVITY**

### **CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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The first full year of operation of Hope Mill Theatre as a charity has been overshadowed by the coronavirus pandemic which started with the nationwide shutdown on 20 March 2020. Despite this potentially catastrophic situation the charity has managed to operate with a financial surplus for the year due to being in receipt of several grants from the Culture Recovery Fund (CRF) and our staff being placed on furlough for most of the year. It was also possible for some shows to be filmed and broadcast over the internet for a charge to the viewer. During the year to 31 March 2021 the theatre was only open for shows for four days.

Despite being closed for most of the year it has given the charity time to upgrade the theatre space and the bar area. This would not have been possible in normal circumstances. Investment has been made in new seating for the auditorium and bar, new lighting for the theatre and several other projects that have been on hold due to the disruption that they cause whilst being carried out.

The production that opened for four days in November was 'Rent' which was filmed and streamed on-line for a fee. This was successful and sold out for all shows both in theatre and on-line. This was made possible after a great deal of time and money was spent on making the theatre auditorium Covid safe with social distancing and Perspex screens between audience parties which were obtained from a National Lottery grant. Work was also carried out in the bar area to make it Covid safe with screens at tables and table service for customers.

Turn on Fest which was presented in January 2021 was recorded and available on-line. This was again a success generating much needed income for the theatre.

The contracted staff were all placed on furlough or flexibly furloughed from March 2020 through to June 2021 and all except one returned to work when the theatre reopened in June 2021. During the periods of shutdown due to government regulations various grants were received which resulted in the charity being financially sound. These grants were received from various sources not least the CRF without which the theatre would have had to close permanently.

The Board of Trustees of The Factory of Creativity come from varied backgrounds covering all aspects needed for a board, management, financial, legal, HR, theatrical and charity management. Their expertise and commitment to Hope Mill Theatre along with the Executive Director, creative team and all of the staff has proved that The Factory of Creativity is and will be an outstanding theatrical charity, meeting the aims of its Constitution.

## THE FACTORY OF CREATIVITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### OBJECTIVES AND ACTIVITIES

##### Significant activities

Due to numerous lockdowns, business activity during the year was far from what had been planned and booked. The theatre is hired for weddings when there are no shows being staged, all of these were cancelled in the financial year but most of them have been rebooked for 2021 or 2022. Full refunds were made to those that cancelled.

During the lockdown period a play writing competition was launched which was very well supported with 500 scripts received. The shortlisted scripts were finally judged by Jonathan Harvey.

As detailed above the theatre was only open to socially distanced audiences for four days during the year.

The theatre's first major production on reopening without social distancing was 'Rent' being restaged in August 2021 for a six-week run. Bookings for this show were very good with all shows sold out. In October an all-female version of Shakespeare's 'Midsummer Night's Dream' was produced for a ten-day run. From 24th November to 16th January 2022 'The Wiz' will be staged for a run of seven and a half weeks for Christmas and the New Year.

##### Policies

A fully comprehensive suite of policies covering all aspects of operations have been written and developed during the year. These have been read by all the Trustees and signed off at board meetings.

##### Staff

The opportunity was taken while the theatre was closed to undertake numerous staff training courses in subjects such as first aid and health and safety. During the year no staff left the theatre and a new fundraiser started employment in January 2021. She has made a big contribution to the income of the charity since she started.

##### Community

Additional space was leased nearby at the end of 2020 to enable a theatre school to be opened for the local community. This also has sufficient room for the managers of the theatre to have an office, which was much needed as previously they were working in the bar area of the theatre.

A community council has been gathered in order to advise on our community outreach and uses for the community space. One of the things they are keen to experience is a community choir which will have its first session after the October half term break.

A principal for Hope Mill Theatre School and Youth Outreach Manager was recruited to take charge of the training courses being offered to children from the deprived local area who have never received any theatrical training. It is early days for this scheme, but indications are good that there will be an excellent take up of this facility, with regular bookings being made for the rehearsal space.

#### FINANCIAL REVIEW

##### Financial position

In the year to 31st March 2021 the turnover of the theatre was £589k which given the lack of shows being put on is a great success. Of this income £260k was generated from several grants. These were received from the following organisations:

ACE

Culture Recovery Fund

National Lottery

The restricted funds grant received from the Key Fund in the financial year to 31 March 2020 was fully spent in the 2020-21 financial year. This was invested in a new theatre lighting system and sound systems.

When shows were cancelled all ticket holders were contacted and asked whether they would like a refund of their ticket cost, retain the tickets for a future show or make a donation to the theatre from the funds. A large proportion of the potential audience generously donated the cost of their tickets to the theatre which helped with cash flow during the year.

Reserves are held to cover three months operating costs when conditions enable the charity to maintain this. It has been possible to do this throughout the 2020-21 financial year as costs have been significantly lower than is normally budgeted for.

The overall surplus for the year was £43k. The HMRC Job Retention Scheme receipts total £80k without which the charity would have become insolvent.

## THE FACTORY OF CREATIVITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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#### FUTURE PLANS 2020 TO 2021

The CIO has been fortunate in the current year to have received several grants, detailed above, and other income from benefactors which has enabled the charity to continue operating. The income received has resulted in a favourable cash situation which will enable the charity to continue operating once the pandemic and associated lockdowns etc. have passed. Additional space has been leased to enable lettings to be made to youth groups and others in proximity to the theatre and create another income stream for the charity.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

##### Related parties

FOC Trading Limited is a company which is owned wholly and exclusively by the charity.

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Registered Company number

CE017389 (England and Wales)

##### Registered Charity number

1183251

##### Registered office

##### Trustees

M Harwood - Chair of Trustees  
C Pinney  
K Stevens  
T Kent  
D R L Gordon (appointed 2.9.20)  
A Rawlinson  
J W Cullen  
P A Richards  
L Wilson

##### Independent Examiner

Heywood Shepherd  
Chartered Accountants  
1 Park Street  
Macclesfield  
Cheshire  
SK11 6SR

Approved by order of the board of trustees on 15 December 2021 and signed on its behalf by:

M Harwood - Trustee

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE FACTORY OF CREATIVITY

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### **Independent examiner's report to the trustees of The Factory of Creativity ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

### **Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

### **Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mr Neil Kennington  
FCA  
Heywood Shepherd  
Chartered Accountants  
1 Park Street  
Macclesfield  
Cheshire  
SK11 6SR

15 December 2021

THE FACTORY OF CREATIVITY

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2021

|                                    |       |                   |                 | PERIOD         |
|------------------------------------|-------|-------------------|-----------------|----------------|
|                                    |       |                   | YEAR ENDED      | 3.5.19         |
|                                    |       |                   | 31.3.21         | TO             |
|                                    |       |                   | Total           | 31.3.20        |
|                                    | Notes | Unrestricted fund | funds           | Total funds    |
|                                    |       | £                 | £               | £              |
| <b>INCOME AND ENDOWMENTS FROM</b>  |       |                   |                 |                |
| Donations and legacies             |       | 57,746            | 629             | 47,303         |
| <b>Charitable activities</b>       |       |                   |                 |                |
| Production                         |       | 188,857           | -               | 120,182        |
| Grants                             |       | 224,000           | 24,370          | 62,167         |
| Rental income                      | 2     | 7,300             | -               | 21,675         |
| Other income                       |       | 86,123            | -               | 17,248         |
| <b>Total</b>                       |       | <b>564,026</b>    | <b>24,999</b>   | <b>268,575</b> |
| <b>EXPENDITURE ON</b>              |       |                   |                 |                |
| <b>Charitable activities</b>       |       |                   |                 |                |
| Production                         |       | 234,638           | 24,370          | 124,156        |
| Governance                         |       | 6,877             | -               | 8,286          |
| Payroll costs                      |       | 151,994           | -               | 50,942         |
| Finance costs                      |       | 4,000             | -               | 1,400          |
| Premises costs                     |       | 96,955            | 7,021           | 41,402         |
| Other                              |       | 19,425            | -               | 5,536          |
| <b>Total</b>                       |       | <b>513,889</b>    | <b>31,391</b>   | <b>231,722</b> |
| <b>NET INCOME/(EXPENDITURE)</b>    |       | <b>50,137</b>     | <b>(6,392)</b>  | <b>36,853</b>  |
| <b>Transfers between funds</b>     | 13    | <b>24,276</b>     | <b>(24,276)</b> | <b>-</b>       |
| <b>Net movement in funds</b>       |       | <b>74,413</b>     | <b>(30,668)</b> | <b>36,853</b>  |
| <b>RECONCILIATION OF FUNDS</b>     |       |                   |                 |                |
| <b>Total funds brought forward</b> |       | <b>3,556</b>      | <b>33,297</b>   | <b>-</b>       |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |       | <b>77,969</b>     | <b>2,629</b>    | <b>36,853</b>  |

The notes form part of these financial statements

# THE FACTORY OF CREATIVITY

## BALANCE SHEET 31 MARCH 2021

|  | Notes | Unrestricted<br>fund<br>£ | Restricted<br>funds<br>£ | 2021<br>Total<br>funds<br>£ | 2020<br>Total<br>funds<br>£ |
|--|-------|---------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>FIXED ASSETS</b>                          |       |                           |                          |                             |                             |
| Tangible assets                              | 7     | 62,808                    | -                        | 62,808                      | 44,315                      |
| <b>CURRENT ASSETS</b>                        |       |                           |                          |                             |                             |
| Debtors                                      | 8     | 10,051                    | -                        | 10,051                      | 806                         |
| Investments                                  | 9     | 1                         | -                        | 1                           | 1                           |
| Cash at bank                                 |       | 221,407                   | 17,846                   | 239,253                     | 135,425                     |
|  |       | <u>231,459</u>            | <u>17,846</u>            | <u>249,305</u>              | <u>136,232</u>              |
| <b>CREDITORS</b>                             |       |                           |                          |                             |                             |
| Amounts falling due within one year          | 10    | (132,083)                 | (15,217)                 | (147,300)                   | (49,956)                    |
| <b>NET CURRENT ASSETS</b>                    |       | <u>99,376</u>             | <u>2,629</u>             | <u>102,005</u>              | <u>86,276</u>               |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <b>162,184</b>            | <b>2,629</b>             | <b>164,813</b>              | <b>130,591</b>              |
| <b>CREDITORS</b>                             |       |                           |                          |                             |                             |
| Amounts falling due after more than one year | 11    | (84,215)                  | -                        | (84,215)                    | (93,738)                    |
| <b>NET ASSETS</b>                            |       | <u>77,969</u>             | <u>2,629</u>             | <u>80,598</u>               | <u>36,853</u>               |
| <b>FUNDS</b>                                 | 13    |                           |                          |                             |                             |
| Unrestricted funds                           |       |                           |                          | 77,969                      | 3,556                       |
| Restricted funds                             |       |                           |                          | 2,629                       | 33,297                      |
| <b>TOTAL FUNDS</b>                           |       |                           |                          | <u>80,598</u>               | <u>36,853</u>               |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 15 December 2021 and were signed on its behalf by:

M Harwood - Trustee

The notes form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**
**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is 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.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                       |                           |
|-----------------------|---------------------------|
| Plant and machinery   | - 20% on reducing balance |
| Fixtures and fittings | - 20% on reducing balance |
| Computer equipment    | - 33% on cost             |

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

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

**2. RENTAL INCOME**

|              | PERIOD       |
|--------------|--------------|
|              | 3.5.19       |
|              | TO           |
|              | 31.3.20      |
|              | £            |
|              | £            |
| Theatre hire | 21,675       |
|              | <u>7,300</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**3. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

|                             | YEAR ENDED<br>31.3.21<br>£ | PERIOD<br>3.5.19<br>TO<br>31.3.20<br>£ |
|-----------------------------|----------------------------|--|
| Depreciation - owned assets | 17,334                     | 11,125                                 |
| Hire of plant and machinery | 23,996                     | 314                                    |

**4. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the period ended 31 March 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the period ended 31 March 2020.

**5. STAFF COSTS**

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

|           | YEAR ENDED<br>31.3.21<br>12 | PERIOD<br>3.5.19<br>TO<br>31.3.20<br>9 |
|-----------|-----------------------------|--|
| Employees |                             |  |

No employees received emoluments in excess of £60,000.

**6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

|                                   | Unrestricted<br>fund<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>£ |
|-----------------------------------|---------------------------|--------------------------|---------------------|
| <b>INCOME AND ENDOWMENTS FROM</b> |                           |                          |                     |
| Donations and legacies            | 39,959                    | 7,344                    | 47,303              |
| <b>Charitable activities</b>      |                           |                          |                     |
| Production                        | 120,182                   | -                        | 120,182             |
| Grants                            | -                         | 62,167                   | 62,167              |
| Rental income                     | 21,675                    | -                        | 21,675              |
| Other income                      | 17,248                    | -                        | 17,248              |
| <b>Total</b>                      | 199,064                   | 69,511                   | 268,575             |
| <b>EXPENDITURE ON</b>             |                           |                          |                     |
| <b>Charitable activities</b>      |                           |                          |                     |
| Production                        | 111,989                   | 12,167                   | 124,156             |
| Governance                        | 8,286                     | -                        | 8,286               |
| Payroll costs                     | 50,942                    | -                        | 50,942              |
| Finance costs                     | 1,400                     | -                        | 1,400               |
| Premises costs                    | 40,161                    | 1,241                    | 41,402              |
| Other                             | 5,536                     | -                        | 5,536               |

**6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

|                                    | Unrestricted<br>fund<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>£ |
|------------------------------------|---------------------------|--------------------------|---------------------|
| <b>Total</b>                       | 218,314                   | 13,408                   | 231,722             |
| <b>NET INCOME/(EXPENDITURE)</b>    | (19,250)                  | 56,103                   | 36,853              |
| <b>Transfers between funds</b>     | 22,806                    | (22,806)                 | -                   |
| <b>Net movement in funds</b>       | 3,556                     | 33,297                   | 36,853              |
| <b>TOTAL FUNDS CARRIED FORWARD</b> | 3,556                     | 33,297                   | 36,853              |

**7. TANGIBLE FIXED ASSETS**

|                       | Plant and<br>machinery<br>£ | Fixtures<br>and<br>fittings<br>£ | Computer<br>equipment<br>£ | Totals<br>£ |
|-----------------------|-----------------------------|----------------------------------|----------------------------|-------------|
| <b>COST</b>           |                             |                                  |                            |             |
| At 1 April 2020       | 39,923                      | 15,238                           | 279                        | 55,440      |
| Additions             | 23,519                      | 2,995                            | 9,313                      | 35,827      |
| At 31 March 2021      | 63,442                      | 18,233                           | 9,592                      | 91,267      |
| <b>DEPRECIATION</b>   |                             |                                  |                            |             |
| At 1 April 2020       | 7,985                       | 3,048                            | 92                         | 11,125      |
| Charge for year       | 11,100                      | 3,037                            | 3,197                      | 17,334      |
| At 31 March 2021      | 19,085                      | 6,085                            | 3,289                      | 28,459      |
| <b>NET BOOK VALUE</b> |                             |                                  |                            |             |
| At 31 March 2021      | 44,357                      | 12,148                           | 6,303                      | 62,808      |
| At 31 March 2020      | 31,938                      | 12,190                           | 187                        | 44,315      |

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                | 2021<br>£ | 2020<br>£ |
|--------------------------------|-----------|-----------|
| Trade debtors                  | 10,051    | -         |
| Prepayments and accrued income | -         | 806       |
|                                | 10,051    | 806       |

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**9. CURRENT ASSET INVESTMENTS**

|                              | <b>2021</b> | 2020 |
|------------------------------|-------------|------|
|                              | <b>£</b>    | £    |
| Shares in group undertakings | <b>1</b>    | 1    |

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                 | <b>2021</b>    | 2020   |
|---------------------------------|----------------|--------|
|                                 | <b>£</b>       | £      |
| Other loans (see note 12)       | <b>10,456</b>  | 5,408  |
| Social security and other taxes | <b>2,889</b>   | -      |
| Other creditors                 | <b>3,664</b>   | 4,692  |
| FOC Trading Ltd                 | <b>22,675</b>  | 10,111 |
| Deferred income                 | <b>100,147</b> | 20,873 |
| Accrued expenses                | <b>7,469</b>   | 8,872  |
|                                 | <b>147,300</b> | 49,956 |

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                           | <b>2021</b>   | 2020   |
|---------------------------|---------------|--------|
|                           | <b>£</b>      | £      |
| Other loans (see note 12) | <b>84,215</b> | 93,738 |

**12. LOANS**

An analysis of the maturity of loans is given below:

|   | <b>2021</b>   | 2020   |
|---|---------------|--------|
|   | <b>£</b>      | £      |
| Amounts falling due within one year on demand:  |               |        |
| Other loans                                     | <b>10,456</b> | 5,408  |
| Amounts falling between one and two years:      |               |        |
| Other loans - 1-2 years                         | <b>10,456</b> | 10,816 |
| Amounts falling due between two and five years: |               |        |
| Other loans - 2-5 years                         | <b>31,369</b> | 32,448 |
| Amounts falling due in more than five years:    |               |        |
| Repayable by instalments:                       |               |        |
| Other loans more 5yrs instal                    | <b>42,390</b> | 50,474 |

**13. MOVEMENT IN FUNDS**

|                           | At 1.4.20     | Net movement in funds | Transfers between funds | At 31.3.21    |
|---------------------------|---------------|-----------------------|-------------------------|---------------|
|                           | £             | £                     | £                       | £             |
| <b>Unrestricted funds</b> |               |                       |                         |               |
| General fund              | <b>3,556</b>  | <b>50,137</b>         | <b>24,276</b>           | <b>77,969</b> |
| <b>Restricted funds</b>   |               |                       |                         |               |
| First Curtain             | <b>2,000</b>  | <b>629</b>            | -                       | <b>2,629</b>  |
| Key Funding               | <b>31,297</b> | <b>(7,021)</b>        | <b>(24,276)</b>         | -             |
|                           | <b>33,297</b> | <b>(6,392)</b>        | <b>(24,276)</b>         | <b>2,629</b>  |
| <b>TOTAL FUNDS</b>        | <b>36,853</b> | <b>43,745</b>         | -                       | <b>80,598</b> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

## 13. MOVEMENT IN FUNDS - continued

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

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | 564,026                    | (513,889)                  | 50,137                    |
| <b>Restricted funds</b>   |                            |                            |                           |
| First Curtain             | 629                        | -                          | 629                       |
| Key Funding               | -                          | (7,021)                    | (7,021)                   |
| Turn On Festival          | 12,870                     | (12,870)                   | -                         |
| Classics workshop         | 11,500                     | (11,500)                   | -                         |
|                           | <u>24,999</u>              | <u>(31,391)</u>            | <u>(6,392)</u>            |
| <b>TOTAL FUNDS</b>        | <u>589,025</u>             | <u>(545,280)</u>           | <u>43,745</u>             |

## Comparatives for movement in funds

|                           | Net<br>movement<br>in funds<br>£ | Transfers<br>between<br>funds<br>£ | At 31.3.20<br>£ |
|---------------------------|----------------------------------|------------------------------------|-----------------|
| <b>Unrestricted funds</b> |                                  |                                    |                 |
| General fund              | (19,250)                         | 22,806                             | 3,556           |
| <b>Restricted funds</b>   |                                  |                                    |                 |
| Crowd Funder              | 5,344                            | (5,344)                            | -               |
| First Curtain             | 2,000                            | -                                  | 2,000           |
| Key Funding               | 48,759                           | (17,462)                           | 31,297          |
|                           | <u>56,103</u>                    | <u>(22,806)</u>                    | <u>33,297</u>   |
| <b>TOTAL FUNDS</b>        | <u>36,853</u>                    | <u>-</u>                           | <u>36,853</u>   |

Comparative net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | 199,064                    | (218,314)                  | (19,250)                  |
| <b>Restricted funds</b>   |                            |                            |                           |
| Crowd Funder              | 5,344                      | -                          | 5,344                     |
| First Curtain             | 2,000                      | -                          | 2,000                     |
| ACE                       | 12,167                     | (12,167)                   | -                         |
| Key Funding               | 50,000                     | (1,241)                    | 48,759                    |
|                           | <u>69,511</u>              | <u>(13,408)</u>            | <u>56,103</u>             |
| <b>TOTAL FUNDS</b>        | <u>268,575</u>             | <u>(231,722)</u>           | <u>36,853</u>             |

**14. RELATED PARTY DISCLOSURES**

FOC Trading Limited is a company which is owned wholly and exclusively by the charity. FOC Trading Limited is a company where Mr W Whelton, a key manager of FOC CIO is a director. Mr J W Cullen is a Trustee of FOC CIO and a director of FOC Trading Limited.

During the year FOC CIO provided £5,000 management charges to FOC Trading Limited.

FOC Trading Limited gift aided profits of £1,000 to FOC CIO at the year end.

There was an inter company loan in the year between the charity and its trading subsidiary.  
As at the year end, FOC CIO owed to its trading subsidiary FOC Trading Limited £22,675.

**15. RESTRICTED FUNDS**

Crowd Funder - raised through audience crowd funding donations to replace Theatre seats. All money received was spent during the year.

First Curtain- Funds raised through donations to pay for Theatre tickets for Children to see their first Theatre productions. Total funds received have been carried forward to the next family/child friendly production in 2021.

ACE- Grant Funding specifically for the Turn on Fest 2020 Queer Arts festival in Jan 2020. All money received was spent during the year.

Key Funding- Restricted grant towards capital improvements and new theatre technical equipment. Remaining balance has been carried forward to be used in 2021's accounts. All money received has been spent by the signing off of these accounts.

**16. OPERATING LEASE**

FOC CIO has a lease agreement with Hope Mill Partnership LLP for renting the premises Hope Mill. FOC CIO took over the lease agreement from Hope Mill Theatre Limited with the Landlord's approval. A new agreement between FOC CIO and Hope Mill Partnership LLP was signed for in October 2019 with the effective date from 1st October 2020. The term of the new lease agreement is for 10 years with rent payable per annum of £22,000, then £23,500 per annum from 1st October 2021 and then £25,000 per annum from 1st October 2022. A rent review is expected on 1st October 2023 and then on 1st October for each subsequent year.

The lease agreement includes a break clause where either Party wishes to terminate the lease on or after 24 months from the date of the lease and the Party wishing to terminate the lease gives the Other Party not less than six months' notice in writing may do so providing all conditions in the agreement are met.

**THE FACTORY OF CREATIVITY**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2021**

|                                 |                            |                          | YEAR ENDED<br>31.3.21<br>Total<br>funds<br>£ | PERIOD<br>2019<br>TO<br>31.3.20<br>Total<br>funds<br>£ |
|---------------------------------|----------------------------|--------------------------|--|--|
|                                 | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ |  |  |
| <b>INCOME AND ENDOWMENTS</b>    |                            |                          |  |  |
| <b>Donations and legacies</b>   |                            |                          |  |  |
| Donations                       | 48,367                     | 629                      | 48,996                                       | 40,218   |
| Subscriptions                   | 9,379                      | -                        | 9,379  | 7,085  |
|                                 | <u>57,746</u>              | <u>629</u>               | <u>58,375</u>                                | <u>47,303</u>  |
| <b>Rental income</b>            |                            |                          |  |  |
| Theatre hire                    | 7,300                      | -                        | 7,300  | 21,675   |
| <b>Charitable activities</b>    |                            |                          |  |  |
| Grants                          | 224,000                    | 24,370                   | 248,370                                      | 62,167   |
| Ticket sales                    | 175,012                    | -                        | 175,012                                      | 113,717  |
| Programme sales and merch       | 10,567                     | -                        | 10,567                                       | 622  |
| Ticket booking fees             | 3,278                      | -                        | 3,278  | 5,843  |
|                                 | <u>412,857</u>             | <u>24,370</u>            | <u>437,227</u>                               | <u>182,349</u>   |
| <b>Other income</b>             |                            |                          |  |  |
| Management charges              | 5,000                      | -                        | 5,000  | 17,248   |
| JRS Grant                       | 80,934                     | -                        | 80,934                                       | -  |
| SSP Grant                       | 189                        | -                        | 189  | -  |
|                                 | <u>86,123</u>              | <u>-</u>                 | <u>86,123</u>                                | <u>17,248</u>  |
| <b>Total incoming resources</b> | <b>564,026</b>             | <b>24,999</b>            | <b>589,025</b>                               | <b>268,575</b>   |
| <b>EXPENDITURE</b>              |                            |                          |  |  |
| <b>Charitable activities</b>    |                            |                          |  |  |
| Hire of plant and machinery     | 23,996                     | -                        | 23,996                                       | 314  |
| Rent and rates                  | 22,929                     | -                        | 22,929                                       | 13,505   |
| Insurance                       | 6,070                      | -                        | 6,070  | 2,324  |
| Light and heat                  | 2,288                      | -                        | 2,288  | 5,322  |
| Telephone                       | 1,616                      | -                        | 1,616  | 608  |
| Postage and stationery          | 3,892                      | -                        | 3,892  | 543  |
| Advertising and merch           | 35,296                     | 5,204                    | 40,500                                       | 8,955  |
| Sundries                        | 13                         | -                        | 13   | -  |
| Box office                      | 39,844                     | -                        | 39,844                                       | 95,974   |
| Pre production expenses         | 82,428                     | 17,866                   | 100,294                                      | 7,225  |
| Artist travel & accommodation   | 2,611                      | -                        | 2,611  | 94   |
| Artists                         | 31,488                     | -                        | 31,488                                       | 9,750  |
| Set, costume and props          | 14,842                     | -                        | 14,842                                       | 162  |
| Theatre staff                   | 12,765                     | 1,300                    | 14,065                                       | 680  |
| Computer expenses               | 1,895                      | -                        | 1,895  | 150  |
| Repair and maintenance          | 26,400                     | 7,021                    | 33,421                                       | 2,888  |
| Carried forward                 | 308,373                    | 31,391                   | 339,764                                      | 148,494  |

This page does not form part of the statutory financial statements

THE FACTORY OF CREATIVITY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2021

|                              |                            |                          | YEAR ENDED<br>31.3.21<br>Total<br>funds<br>£ | PERIOD<br>2019<br>TO<br>31.3.20<br>Total<br>funds<br>£ |
|------------------------------|----------------------------|--------------------------|--|--|
|                              | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ |  |  |
| <b>Charitable activities</b> |                            |                          |  |  |
| Brought forward              | 308,373                    | 31,391                   | 339,764                                      | 148,494  |
| Waste disposal               | 5,638                      | -                        | 5,638  | 3,125  |
| Entertainment and incentives | 1,200                      | -                        | 1,200  | 864  |
| Licence and subscriptions    | 1,641                      | -                        | 1,641  | 1,356  |
| Other travel                 | 1,965                      | -                        | 1,965  | 1,626  |
| Website expenses             | 174                        | -                        | 174  | 2,530  |
| Cleaning                     | 135                        | -                        | 135  | 284  |
| Training                     | -                          | -                        | -  | 1,690  |
| Health and safety            | 14,571                     | -                        | 14,571                                       | -  |
| Plant and machinery          | 11,100                     | -                        | 11,100                                       | 7,985  |
| Fixtures and fittings        | 3,037                      | -                        | 3,037  | 3,048  |
| Computer equipment           | 3,197                      | -                        | 3,197  | 92   |
|                              | <u>351,031</u>             | <u>31,391</u>            | <u>382,422</u>                               | <u>171,094</u>   |
| <b>Support costs</b>         |                            |                          |  |  |
| <b>Finance</b>               |                            |                          |  |  |
| Other interest               | 21                         | -                        | 21   | -  |
| Bank loan interest           | 4,000                      | -                        | 4,000  | 1,400  |
|                              | <u>4,021</u>               | <u>-</u>                 | <u>4,021</u>                                 | <u>1,400</u>   |
| <b>Human resources</b>       |                            |                          |  |  |
| Wages                        | 145,328                    | -                        | 145,328                                      | 49,851   |
| Social security              | 4,417                      | -                        | 4,417  | 257  |
| Pensions                     | 2,228                      | -                        | 2,228  | 834  |
|                              | <u>151,973</u>             | <u>-</u>                 | <u>151,973</u>                               | <u>50,942</u>  |
| <b>Governance costs</b>      |                            |                          |  |  |
| Accountancy fees             | 5,064                      | -                        | 5,064  | 2,610  |
| Legal fees                   | 1,800                      | -                        | 1,800  | 5,676  |
|                              | <u>6,864</u>               | <u>-</u>                 | <u>6,864</u>                                 | <u>8,286</u>   |
| Total resources expended     | <u>513,889</u>             | <u>31,391</u>            | <u>545,280</u>                               | <u>231,722</u>   |
| <b>Net income</b>            | <u>50,137</u>              | <u>(6,392)</u>           | <u>43,745</u>                                | <u>36,853</u>  |

This page does not form part of the statutory financial statements