

Charity registration number: 1183251

The Factory of Creativity
Consolidated Annual Report and Financial Statements
Year ended 31 March 2023

The Factory of Creativity

Reports and Financial Statements

Year ended 31 March 2023

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The Factory of Creativity

Report of the Trustees for the year ended 31 March 2023

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

Reference and Administrative Details

Registered Charity number: 1183251

Registered office: Hope Mill Theatre
113 Pollard Street
Manchester
M4 7JA

Trustees:	A Rawlinson	
	M R Dubois	Appointed 12 November 2022
	Dr P Martin OBE	Appointed 16 July 2022
	K O'Neill	Appointed 16 July 2022
	R Miller	Appointed 16 July 2022
	E Riley	Appointed 16 July 2022
	D Carr	Appointed 16 July 2022
	J McCarthy	Appointed 16 July 2022
	D Treacy	Appointed 16 July 2022
	K M Gillibrand	Appointed 16 July 2022
	D R L Gordon	
	T Kent	
	C Pinney	
	P A Richards	Resigned 17 September 2022
	R Hall	Resigned 25 October 2022

Auditors: Hawsons Chartered Accountants
Statutory Auditors
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Bankers: The Cooperative Business Banking
1 Balloon Street
Manchester
M60 4EP

Executive Director: Will Whelton

The Factory of Creativity

Report of the Trustees for the year ended 31 March 2023 (continued)

The Board of Trustees, present their report and the consolidated group financial statements of The Factory of Creativity and its 100% owned subsidiary FOC Trading Limited, for the year ended 31 March 2023.

Structure, Governance and Management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a charitable incorporated organisation (CIO).

The trustees are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Decision making

As set out in the Constitution, The Factory of Creativity CIO has a minimum of three trustees. Apart from the first charity trustees, every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees.

The Board meets six times per year. In addition there are sub-committees with powers delegated from the Board of Trustees and which operate under their own terms of references.

An Executive Director is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Executive Director has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and artistic performance related activity.

Induction and training of new trustees

Following a Board skills and diversity audit, the charity undertook an open recruitment process for new trustees in spring 2022. This resulted in nine new members being appointed to the Board, bringing with them a wealth of additional knowledge and expertise.

New trustees undergo an orientation period to brief them on their legal obligations under charity law, the Charity Commission guidance on public benefit, content of the Constitution, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Related parties

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a production company, contracted actor, performer or exhibitor must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

The charity's wholly owned subsidiary, FOC Trading Ltd was established to operate the commercial bar, and non-theatrical events. FOC Trading Ltd has a licence from the charity to operate those facilities and gift aids the majority of its profits to the charity.

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Report of the Trustees for the year ended 31 March 2023 (continued)

Risk management

The Trustees are committed to and have considered the identification and management of the major strategic, business and operational risks which the charity faces.

The principal financial risks revolve around the failure of a production at the Box Office, the risk of audiences not returning in sufficient numbers, and the potentially adverse effect on both profitability and cash flow.

The trustees have a risk management strategy which comprises:

- an in-depth annual review of the risks the charity and its subsidiary FOC Trading Limited may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan;
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

A key element in the management of financial risk is via a reviewed reserves policy and the retention of sufficient working capital by the subsidiary company.

Objectives And Activities

Objectives and aims

The Factory of Creativity (known as Hope Mill Theatre) exists to entertain, educate and enrich: staging the highest quality productions; engaging audiences & participants in theatre/arts that are accessible for all; and supporting artists and audiences to be ambitious in sharing their stories and lives through live theatre. Our aim is to create a brave, inclusive home for audiences and artists to fulfil their full potential and creativity.

Musical theatre is at the heart of our artistic work. Hope Mill Theatre provides a dedicated home for musical theatre in Manchester, creating award-winning new shows and revivals and challenging people's expectations of small-scale theatre with a standard of work that is second to none. We aim to build on the national acclaim achieved by our productions with further national and international recognition, while creating new opportunities and strong career pathways for Manchester's early-stage theatre performers and makers.

We offer a year-round showcase for exciting new ideas, skills, and talents: commissioning new musicals and new writing for musical theatre, giving a platform to emerging composers and staging work that wouldn't otherwise be seen - bridging the gap between Manchester's many small fringe spaces, where actors and writers start their careers, and its prestigious large-scale venues. Today, we are among the most successful and respected independent venues in England, 'a powerhouse home for musicals' (The Stage).

We serve a broad, far-reaching community, from across Greater Manchester and beyond; we are here for all. Our participatory programmes have a particular focus on:

- LGBTQIA+ communities, thriving at Hope Mill as audiences, performers, artists, creators;
- Our neighbouring communities in Miles Platting & Newton Heath, Ancoats & Beswick, areas that have historically been underserved by the arts: here our programmes especially target children and young people and isolated, older adults.

The trustees have referred to the Charity Commission's guidance on public benefit in reviewing the charity's aims and objectives and in planning its future actions.

The Factory of Creativity

Report of the Trustees for the year ended 31 March 2023 (continued)

Significant activities

The year ending March 2023 was exciting artistically, as our in-house production ramped up again to deliver highly successful original productions. Maureen Lipman followed her spellbinding online performance of *Rose*, broadcast at Hope Mill in 2021, with a stage performance of this extraordinary solo piece, distilling a generation of Jewish experience down to a single life. *Rose* won huge acclaim and went on to a sell-out run at Park Theatre London before transferring to the West End.

Classic, a hectic romp through classical literature (co-produced with HER Productions), opened at Hope Mill in June 2022 before delighting audiences for 4 weeks at the Edinburgh Fringe; it is scheduled to bring much hilarity to passengers enjoying a Cunard cruise, in October 2023.

A highlight of the year was Hope Mill's *Cinderella*, a European theatrical première for the 2013 Broadway version of Rodgers and Hammerstein's musical, originally written for television. Directed by Joe Houston and choreographed by Will Whelton (co-founders and joint directors of Hope Mill), the show was critically acclaimed for its fabulous performance, sensational singing and visually striking set: "a musical fairytale as sharp as it is sparkling" *The Times*. *Cinderella* was originally planned for 2020, then rescheduled when the pandemic closed our doors; from November 2022, it was the first major show to complete a full run without a single performance lost to Covid-related cancellations.

In March we were delighted to present *ANIMAL*, winner of Hope Mill Theatre's inaugural *Through The Mill* Prize (Hope Mill Theatre supported by Jonathan Harvey). Written by Jon Bradfield, from a story by Jon Bradfield and Josh Hepple, it follows gay central character David (Christopher John-Slater), a wheelchair user living with cerebral palsy, on his determined, mischievous and by turns hilarious and moving quest to lose his virginity using Grindr. Co-produced with London's Park Theatre, *ANIMAL* struggled to attract audiences in the numbers we had hoped for in Manchester, but received enthusiastic reviews from those who did see it with 4/5 star reviews across the board.

Over the year we presented 170 performances in total and attracted paid attendances of 20,679, an occupancy rate of 88% - an exceptional achievement in a year the early part of which continued to be beset by Covid restrictions and cancellations. It has been immensely rewarding to see audiences return so enthusiastically despite the financial pressures faced by so many.

Hope Mill Theatre's community programme continued to grow and thrive. HMT's 40-strong Community Choir met weekly, enriching our programme throughout the year and also performing regularly off-site at wider community events. In September 2022 we formed Hope Mill Community Orchestra, soon to be joined by a fledgling HMT Youth Orchestra. Local people gathered weekly to join in HMT's Playreading Group, which now links closely to the programmes on our stage. HMT's Amateur Dramatic Company's *Legally Blonde* sold out well before the show opened in Spring '22, and as March came to an end rehearsals were well advanced for *Grease*, the group's next production will be announced in the autumn for 2024 cementing the annual amateur dramatics production into the theatre programme.

HMT's Theatre School (for ages 2-18), led by industry professionals, became busier than ever, with the current 60 students bringing the main school to near capacity. Thanks to a grant from the Andrew Lloyd Webber Foundation we were able to expand this provision with Sunday sessions from April 2023. We continue to make 50% of places available free of charge for local children and young people who could otherwise not afford such opportunities: as part of Hope Mill Theatre's creative family they will develop new skills and confidence, access regular opportunities to perform, be inspired to explore creative career pathways – all while making new friends and having loads of fun. The first theatre school production was 'Annie' Junior which was performed in June providing the students with performance experience in the main theatre space. A grant from the Noël Coward Foundation is enabling us to provide additional, 1-to-1 help and training for those young people wishing to apply to drama school, supporting them to navigate a tough and highly competitive admissions process in which they are undeniably at some disadvantage relative to peers who have engaged with dance and performing from an early age.

The Factory of Creativity

Report of the Trustees for the year ended 31 March 2023 (continued)

Significant activities (continued)

This year we were able to distribute over 1000 free tickets to local children and young people, enabling them to enjoy a first visit to live theatre completely free of charge. Many of these young people also took part in 'meet the cast/crew' events: we aim for creative teams to be 50%+ people with protected characteristics and these events offer an important opportunity for young people to see themselves – their own cultures and backgrounds – reflected among industry professionals, opening new possibilities and windows into creative careers. We are grateful to The Big Give and for the generosity of all those who boosted our *First Curtain* fund in late 2022, to make this possible.

HMT's community programme and offer for young people is emphatically not an add-on, but rather an integral part of who and what we are: these activities are fully woven into our year-round programme and productions.

For example, *Turn On Fest*, Hope Mill Theatre's LGBTQIA+ Arts Festival - co-curated with partner queer arts organisations (Hive North, Superbia, TransCreative and Gaydio) - returned to Hope Mill for its fourth edition in January 2023. The festival brings together Greater Manchester's LGBTQ+ communities over a fortnight of events to enjoy new writing, scratch nights, musicals & more, providing a much-needed platform for queer art to be explored, developed and nurtured. This year 78% of our audiences identified as LGBTQIA+ with a third of all audiences aged 25-34. *Turn On Fest* saw a first public sharing of *ALIEN NATION*, a new performance piece adapted for the stage by young members of HMT Theatre School working alongside LGBTQIA+ young people (aged 14 – 18) from the Proud Trust, supported by a director and dramaturg. The original story was commissioned by The Proud Trust and created in Manchester with these LGBTQ+ young people, it explores gender identity and expression in a lively and engaging way through the group's own experiences and ideas.

The piece was enthusiastically received by audiences, with valuable feedback (including from parents and teachers) provided through the subsequent Q&A. As a result we are now developing this as a piece to tour into local primary schools, performed by professional actors, from September 2024. Here it will engage pupils in important (and fun) conversations around gender and gender expression – while encouraging them to be part of Hope Mill's wider theatre offer and provision and inspiring those vital first steps into creative expression.

The quality and breadth of Hope Mill Theatre's community activity, linked to a performance programme that is delivered by industry professionals, applying the very highest production values, is particularly important in an area of Manchester that has historically been underserved by the arts. We are committed to reaching local people, and young people in particular, with a range of inspiring opportunities – whether performance, production, skills development, training or placements – that feed directly into progression pathways into further training and/or careers in the arts.

Finally, following a comprehensive review of forward strategy and governance, Hope Mill Theatre undertook an open recruitment exercise for new Trustees in June 2022. The response was extraordinarily enthusiastic and over the course of the year the charity has welcomed to its Board of Trustees nine new members, who contribute an exceptional range of skills and knowledge in important areas such as finance, charity management, marketing, higher education, fundraising and more. We owe much gratitude also to those trustees who retired over the year, for their commitment and hard work in establishing the charity and in steering a successful path through the many challenges of the pandemic.

The Factory of Creativity

Report of the Trustees for the year ended 31 March 2023 (continued)

Strategic Report

Financial position

The financial transactions of the charity during the year and the position at the end of the year are set out in the attached accounts.

Income during 2022/23 was £1,285,524, compared to £1,472,437 in 2021/22. Expenditure was £1,455,426 (£1,364,498 in 2021/22), representing an operating deficit of £169,902. This was largely due to low ticket sales in the first quarter of 2023, with correspondingly reduced bar and hospitality takings. Audiences for ANIMAL in particular were very disappointing, for what was perceived as a challenging subject matter, leading to a substantial loss made on the show. This was a high-quality and critically acclaimed production and we remain proud of its achievements; increased levels of co-production in future years will help to mitigate such risks.

The trustees note the qualification in the audit report on page 9 of the financial statements. This qualification relates to the financial information contained in the prior year (31 March 2022) audited accounts. We also note that we underwent a retendering exercise during the last financial year to ensure a robust and efficient audit process going forward and feel we are in a better position as a result.

In May 2022, the charity applied to become a National Portfolio Organisation of Arts Council England but was unsuccessful: the NPO round was hugely oversubscribed, with new awards weighted towards Priority and Levelling Up areas of the country. This was naturally a great disappointment; success would have provided much-needed core stability enabling us to realise an ambitious and exciting vision including a step-change in the highest quality production activity, over the coming three years. Our ambitions remain undimmed however, and we have revised our business plan to fit our current circumstances. This includes a new focus on touring in-house productions, so as to deliver greater value for HMT's intellectual and financial investment in new product, while strengthening our resilience and flexibility in the face of future challenges.

We are hugely grateful to the many generous funders who have enabled the success of this very busy and productive year for Hope Mill Theatre. They include the Social Enterprise Support Fund, Manchester City Council, the Evergreen Fund (North West), the Garfield Weston Foundation, the Foyle Foundation, the Andrew Lloyd Webber Foundation, Arts Council England, the Granada Foundation, the Noël Coward Foundation, the LGBT foundation and The Big Give – as well as many individual donors whose contributions have brought many hundreds of children and young people to enjoy live theatre for the very first time.

Reserves policy

The group ended the year with reserves reduced to £21,598 (2022: £191,500). Of this, a deficit of £40,721 (2022: £183,706 surplus) is in the form of unrestricted reserves. This falls short of the sum required by our reserves policy, corresponding to 3 months' running costs (approx. £350,000). We aim to generate a surplus over the coming years to build the charity's free reserves to the required level.

2022/23 was an extenuating year for the charity. The in year deficit can be attributed to the low audience numbers for ANIMAL in March combined with a provision for an expected change to the organisation's VAT status. As a relatively new organisation formed just before the COVID pandemic hit, the Factory of Creativity has had limited opportunity generate significant reserves.

The organisation has taken the opportunity in 23/24 to review the business model, and has also garnered support from the Arts Council and funders - including beginning a substantial fundraising campaign, and growing a network of venues - including our partnership with CUNARD - to take our work elsewhere to maximise the financial opportunities from the fantastic work that we create.

Future strategy

Hope Mill Theatre is working to 4 priority strategic objectives for the period to March 2026. Over this period we aim to:

- step up in-house PRODUCTION, with commercial partnerships enabling ambitious, large-scale works that go on to tour nationally/internationally, so building income and reinforcing sustainability.

The Factory of Creativity

Report of the Trustees for the year ended 31 March 2023 (continued)

Future strategy (continued)

- expand our COMMUNITY programme, to be guided and shaped by the newly formed Hope Mill Theatre Community Council, so that local people (diverse young people and older, isolated adults in particular) enjoy new opportunities, social connections and improved wellbeing.
- grow our EDUCATION offer with local schools & expand Hope Mill Theatre School, creating new progression routes for young people into successful creative careers – including, ultimately, via a locally-delivered, accredited musical theatre degree. The north is currently lacking in high-quality, professional development and progression opportunities in musical theatre.
- increase support for EMERGING TALENT (esp. LGBTQIA+) in new writing, composition and performance, so that distinctive Manchester voices are celebrated and profiled and enjoy a national spotlight.

In the year ahead, we are touring our next major in-house musical production, *LIZZIE*, to 5 venues, nationally, following its September run at Hope Mill Theatre. We are starting to build a network of venues across the country where audiences can access and enjoy our award-winning productions. In the autumn/ Christmas slot we are producing a brand new world premier musical of the much loved film '*To Wong Foo, thank you for everything Julie Numar*' working with American creatives to bring the show to UK audiences.

Talent development starts in our local community, where children and young people aged 2- 18 learn and train with skilled industry professionals in Hope Mill Theatre School. From April 2023, a new, Sunday offer will supplement theatre school, so that more local young people are able to start exploring and enjoying their creative talents. We aim to continue to provide 50% of places free of charge for local children and young people from neighbouring areas of Manchester with exceptionally high levels of deprivation. More broadly, we will continue to provide opportunities for, and to showcase, new talent, wherever possible – through *Turn On Fest* and other projects such as *Powerhouse Projects*, our platform for new writing, which provides a brave space to test new work.

In 2022/23 Hope Mill Theatre undertook important feasibility and business planning activity to explore options for a new theatre venue. Operations have grown rapidly over recent years and the theatre is working at capacity, with no possibility to date of expansion on our current site. A market appraisal conducted as part of this business planning process demonstrated great potential for HMT to increase its audiences, if the theatre space could be expanded. Meanwhile our existing audiences, contributing to an extensive online survey in January 2023, show extraordinary loyalty and commitment and indicate a clear readiness to increase their attendances and participation if we can provide more of what they love.

We have explored numerous options for a new theatre, including a city centre location, but have concluded that in the present economic climate, the risks outweigh the benefits of these options. We have been struck moreover by the deep affection that our audiences declare for Hope Mill Theatre, just as and where it is. The 10-year regeneration strategy shaping new urban neighbourhoods in Ancoats and New Islington presents an exciting opportunity for our theatre to contribute a distinct identity and sense of place for our communities: we will continue to explore every possible avenue to deliver an expanded, enhanced theatre experience in this locality, in the longer term.

The Factory of Creativity

Report of the Trustees for the year ended 31 March 2023 (continued)

Statement Of Trustees' Responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and reports) regulations 2008 and provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Hawsons Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees on 7 October 2023 and signed on the board's behalf by:



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A Rawlinson - Chair

The Factory of Creativity

Independent auditors' report to the Trustees of The Factory of Creativity

Qualified Opinion

We have audited the financial statements of The Factory of Creativity (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise Consolidated Statement of Financial Activities, Statement of Financial Activities, Consolidated and Charity Balance Sheet, the Consolidated Statement of Cash Flows 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the charity and group'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 Charities Act 2011.

Basis for qualified opinion

The evidence available to us in respect of the prior period was limited and it was not possible for us to perform the auditing procedures necessary to obtain sufficient appropriate audit evidence for the comparative figures at 31 March 2022. Any adjustment could have a material effect on the income and expenditure for the year ended 31 March 2023.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity 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 qualified opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the group generated a net deficit of £169,902 during the year ended 31 March 2023. As stated in Note 1, this condition along with other matters set out in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our qualified opinion is not modified in respect of this matter.

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.

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 trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

The Factory of Creativity

Independent auditors' report to the Trustees of The Factory of Creativity (continued)

Matters on which we are required to report by exception

Except for the matter described in the basis of qualified opinion sections of our report, in the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees 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 group and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 our procedures are capable of detecting irregularities, including fraud is detailed below:

The charity is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Health and Safety regulations and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

The Factory of Creativity

Independent auditors' report to the Trustees of The Factory of Creativity (continued)

- Discussions with management and those responsible for legal compliance procedures within the charitable company to obtain an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Hawsons Chartered Accountants

Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Hawsons Chartered Accountants is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

11 October 2023

The Factory of Creativity

Consolidated Statement of Financial Activities

Year Ended 31 March 2023

		Unrestricted Fund £	Restricted Funds £	2023 Total £	2022 Total £
Income and Endowments from:	Notes				
Grant, donations and legacies	2	132,842	96,895	229,737	529,186
Charitable activities	3	642,856	-	642,856	452,826
Other trading activities	4	277,495	-	277,495	288,978
Other income	5	135,436	-	135,436	201,447
Total incoming resources		1,188,629	96,895	1,285,524	1,472,437
Resources expended					
Raising funds	6	231,686	-	231,686	212,595
Charitable activities	7	1,181,370	42,370	1,223,740	1,151,903
Total resources expended		1,413,056	42,370	1,455,426	1,364,498
Net (expenditure)/income		(224,427)	54,525	(169,902)	107,939
Transfers between funds		-	-	-	-
Net movement in funds		(224,427)	54,525	(169,902)	107,939
Funds brought forward		183,706	7,794	191,500	83,561
Funds carried forward		(40,721)	62,319	21,598	191,500

The Factory of Creativity

Statement of Financial Activities

Year Ended 31 March 2023

		Unrestricted Fund £	Restricted Funds £	2023 Total £	2022 Total £
Income and Endowments from:	Notes				
Grant, donations and legacies	2	132,842	96,895	229,737	543,186
Charitable activities	3	642,856	-	642,856	452,826
Other trading activities		52,371	-	52,371	93,699
Other income	5	135,436	-	135,436	201,447
Total incoming resources		963,505	96,895	1,060,400	1,291,158
Resources expended					
Raising funds	6	22,473	-	22,473	31,539
Charitable activities	7	1,181,370	42,370	1,223,740	1,151,903
Total resources expended		1,203,843	42,370	1,246,213	1,183,442
Net (expenditure)/income		(240,338)	54,525	(185,813)	107,716
Transfers between funds		-	-	-	-
Net movement in funds		(240,338)	54,525	(185,813)	107,716
Funds brought forward		180,520	7,794	188,314	80,598
Funds carried forward		(59,818)	62,319	2,501	188,314

The Factory of Creativity

Balance Sheets

31 March 2023

	Notes	31 March 2023		31 March 2022	
		Group £	Company £	Group £	Company £
Fixed assets					
Tangible assets	10	55,067	52,255	55,570	52,056
Investments	11	-	1	-	1
		<u>55,067</u>	<u>52,256</u>	<u>55,570</u>	<u>52,057</u>
Current assets					
Stock	12	5,713	-	-	-
Debtors	13	293,677	293,237	182,452	198,529
Cash at bank and in hand		61,504	23,392	309,607	251,410
		<u>360,894</u>	<u>316,629</u>	<u>492,059</u>	<u>449,939</u>
Creditors – amounts falling due within one year	14	(209,201)	(181,222)	(245,986)	(203,539)
Net current assets		<u>151,693</u>	<u>135,407</u>	<u>246,073</u>	<u>246,400</u>
Total assets less current liabilities		<u>206,760</u>	<u>187,663</u>	<u>301,643</u>	<u>298,457</u>
Creditors – amounts falling due after one year	15	(185,162)	(185,162)	(110,143)	(110,143)
Net assets		<u>21,598</u>	<u>2,501</u>	<u>191,500</u>	<u>188,314</u>
Charity funds					
Restricted funds	18	62,319	62,319	7,794	7,794
Unrestricted funds	19	(40,721)	(59,818)	183,706	180,520
Total charity funds		<u>21,598</u>	<u>2,501</u>	<u>191,500</u>	<u>188,314</u>

The financial statements were approved by the board of trustees on 7 October 2023 and signed on its behalf by:



A Rawlinson
Trustee

The Factory of Creativity

Consolidated Statement of Cashflows

Year Ended 31 March 2023

	Notes	2023 £	2022 £
Cash flow from operating activities	21	(306,938)	40,191
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(16,180)	(5,710)
Interest paid		(7,014)	(4,200)
Net cash flow from investing activities		(23,194)	(9,910)
Cash flow from financing activities			
New loan in the year		100,000	43,500
Repayment of borrowings		(17,971)	(10,055)
Net cash flow from financing activities		82,029	33,445
Net (decrease) / increase in cash and cash equivalents		(248,103)	63,726
Cash and cash equivalents at 1 April		309,607	245,881
Cash and cash equivalents at 31 March		61,504	309,607
Cash and cash equivalents consist of:			
Cash at bank and in hand		61,504	309,607
Cash and cash equivalents at 31 March		61,504	309,607

The Factory of Creativity

Notes on Accounts

Year Ended 31 March 2023

1. Accounting policies

Statutory information

The Factory of Creativity is a charity (No. 1183251), domiciled in England and Wales. The registered office is at Hope Mill Theatre, 113 Pollard Street, Manchester, M4 7JA.

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements are presented in pounds sterling, which is the functional currency and rounded to the nearest £1.

Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary, FOC Trading Limited on a line by line basis.

Income and debtors

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.

Grant income is recognised when the charity becomes unconditionally entitled to it.

Debtors are recognised at settlement value.

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

Related party exemption

The charitable has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Taxation

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

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

1. Accounting policies

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

Going concern

The financial statements have been prepared on a going concern basis. During the year the group generated a deficit of £169,902 and funds were reduced to £21,598 at the year end. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The Trustees believe that the expected income and expenditure is sufficient with the level of reserves for the group to be able to continue as a going concern however acknowledge that a material uncertainty exists in this regard.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the statement of comprehensive income.

Critical accounting estimates and areas of judgement

There are no significant estimate or judgements made in the process of applying the charity's accounting policies.

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

2. Income from grants, donations and legacies

	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	11,466	20,395	31,861	41,107
Total donations	11,466	20,395	31,861	41,107
Manchester City Council	-	30,000	30,000	62,463
Arts Council England	55,203	-	55,203	343,540
Grand Trust	-	-	-	15,000
National Lottery Key fund	35,273	-	35,273	49,866
Northern Cultural Regeneration Fund	-	16,500	16,500	-
Foyle Foundation	-	15,000	15,000	-
Andrew Lloyd	-	15,000	15,000	-
Granada Foundation	2,000	-	2,000	-
LGBT Foundation	2,000	-	2,000	-
Noel Coward Foundation	2,400	-	2,400	-
MCR Active	4,500	-	4,500	-
Garfield Western	20,000	-	20,000	-
Government furlough scheme	-	-	-	17,210
Total grants	121,376	76,500	197,876	488,079
Total	132,842	96,895	229,737	529,186

3. Income from charitable activities

	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
Ticket sales	612,116	-	612,116	406,811
Memberships	9,410	-	9,410	8,978
Theatre school	21,330	-	21,330	37,037
	642,856	-	642,856	452,826

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

4. Income from other trading activities

	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable trading:				
Sales of Product Income	20,200	-	20,200	22,394
Fundraising	-	-	-	9,767
Trading income	225,124	-	225,124	195,279
Advertising	300	-	300	285
Theatre Hire	31,871	-	31,871	61,253
	<u>277,495</u>	<u>-</u>	<u>277,495</u>	<u>288,978</u>

5. Other income

	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
Management charges	-	-	-	69,035
Theatre Tax Relief	127,882	-	127,882	132,412
Other income	7,554	-	7,554	-
	<u>135,436</u>	<u>-</u>	<u>135,436</u>	<u>201,447</u>

6. Expenditure on raising funds

	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable:				
Purchases	2,024	-	2,024	7,539
Consultancy fees	-	-	-	24,000
Fundraising costs	20,449	-	20,449	-
Non-Charitable:				
Trading subsidiary expenditure	145,663	-	145,663	146,605
Trading subsidiary staff costs	63,550	-	63,550	34,451
	<u>231,686</u>	<u>-</u>	<u>231,686</u>	<u>212,595</u>

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

7. Expenditure on charitable activities

	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
<i>Production costs</i>				
Hire of equipment	16,731	-	16,731	38,438
Box office	311,271	24,000	335,271	65,547
Pre-production expenses	306,502	-	306,502	398,997
Artist Travel	8,494	-	8,494	4,258
Artists	101,361	-	101,361	175,636
Set, costume and prep	17,764	-	17,764	27,948
	<u>762,123</u>	<u>24,000</u>	<u>786,123</u>	<u>710,824</u>
<i>Establishment costs</i>				
Rent and rates	39,576	-	39,576	36,422
Insurance	6,241	-	6,241	10,882
Light and heat	13,403	-	13,403	5,592
Telephone	2,009	-	2,009	1,653
	<u>61,229</u>	<u>-</u>	<u>61,229</u>	<u>54,549</u>
<i>Support costs</i>				
Computer expenditure	4,993	-	4,993	8,797
Repair and maintenance	21,515	-	21,515	39,082
Entertainment	4,649	-	4,649	5,871
Licenses and memberships	5,214	-	5,214	5,126
Cleaning	5,910	-	5,910	3,467
Health and safety	2,966	-	2,966	3,812
Travel	11,655	-	11,655	8,292
Depreciation	15,981	-	15,981	15,446
Printing, postage and stationery	6,020	-	6,020	6,072
Advertising	9,685	-	9,685	44,572
Sundries	2,916	-	2,916	716
Bank loan interest	7,014	-	7,014	4,200
VAT expense	30,929	-	30,929	-
	<u>129,447</u>	<u>-</u>	<u>129,447</u>	<u>145,453</u>
<i>Payroll costs</i>				
Staff costs	211,130	8,750	219,880	222,514
Training	2,321	-	2,321	-
	<u>213,451</u>	<u>8,750</u>	<u>222,201</u>	<u>222,514</u>
<i>Governance costs</i>				
Auditor's remuneration	14,626	-	14,626	10,970
Legal and professional fees	196	9,620	9,816	7,593
Bank charges	298	-	298	-
	<u>15,120</u>	<u>9,620</u>	<u>24,740</u>	<u>18,563</u>
Total expenditure on charitable activities	<u>1,181,370</u>	<u>42,370</u>	<u>1,223,740</u>	<u>1,151,903</u>

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

8. Net income for the year

	2023 £	2022 £
This is stated after charging:		
Depreciation	16,683	15,446
Fees payable to the Charity's auditors in respect of:		
The audit of the Charity's annual accounts	6,000	3,000
The audit of the subsidiary's annual accounts	1,000	-
All taxation advisory services	3,000	-
All non-audit services not included above	<u>7,126</u>	<u>7,970</u>

9. Staff costs and trustee remuneration

	2023		2022	
	Group £	Charity £	Group £	Charity £
Wages and salaries	257,091	199,446	242,144	207,693
Social security costs	21,614	16,768	11,595	11,595
Pension costs	4,725	3,666	3,226	3,226
	<u>283,430</u>	<u>219,880</u>	<u>256,965</u>	<u>222,514</u>

	2023		2022	
	Group	Charity	Group	Charity
Employees	<u>19</u>	<u>19</u>	<u>14</u>	<u>14</u>

The number of employees whose employee benefits (excluding employers pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	1	-

During the year, no trustees received any remuneration or other benefits (2022: Nil). No (2022: Nil) trustees had expenses reimbursed during the year (2022: £Nil).

The total amount of employee benefits received by key management personnel is £111,886 (2022: £85,647). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year end comprises the staff members listed below.

Executive Director
Artistic Director

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

10. Tangible fixed assets Group

	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 April 2022	70,388	20,792	10,401	101,581
Additions	14,696	-	1,484	16,180
Disposals	-	-	-	-
At 31 March 2023	<u>85,084</u>	<u>20,792</u>	<u>11,885</u>	<u>117,761</u>
Depreciation				
At 1 April 2022	29,714	9,576	6,721	46,011
Charge for the year	10,730	2,243	3,710	16,683
Eliminated on disposal	-	-	-	-
At 31 March 2023	<u>40,444</u>	<u>11,819</u>	<u>10,431</u>	<u>62,694</u>
Net book value				
At 31 March 2023	<u>44,640</u>	<u>8,973</u>	<u>1,454</u>	<u>55,067</u>
At 31 March 2022	<u>40,674</u>	<u>11,216</u>	<u>3,680</u>	<u>55,570</u>
Charity				
	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 April 2022	68,136	18,233	9,592	95,961
Additions	14,696	-	1,484	16,180
Disposals	-	-	-	-
At 31 March 2023	<u>82,832</u>	<u>18,233</u>	<u>11,076</u>	<u>112,141</u>
Depreciation				
At 1 April 2022	28,903	8,515	6,487	43,905
Charge for the year	10,442	1,944	3,595	15,981
Eliminated on disposal	-	-	-	-
At 31 March 2023	<u>39,345</u>	<u>10,459</u>	<u>10,082</u>	<u>59,886</u>
Net book value				
At 31 March 2023	<u>43,487</u>	<u>7,774</u>	<u>994</u>	<u>52,255</u>
At 31 March 2022	<u>39,233</u>	<u>9,718</u>	<u>3,105</u>	<u>52,056</u>

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

11. Fixed asset investments

				Investment in subsidiary companies £
Charity				
Cost or valuation				
At 1 April 2022 and 31 March 2023				1
Subsidiary Name	Company number	Registered office	Class of share	Holding
FOC Trading Limited	12032999	Hope Mill Theatre 113 Pollard Street Manchester M4 7JA	Ordinary	100%

The financial results of the subsidiary for the year were:

	Income £	Expenditure £	Profit for the year £	Net assets £
FOC Trading Limited	225,124	(209,213)	15,911	19,097

12. Stocks

	Group 2023 £	Group 2022 £
Goods held for resale	5,713	-

There is no material difference between the replacement cost of stocks and amounts stated above.

13. Debtors

	2023		2022	
	Group £	Charity £	Group £	Charity £
Trade debtors	20,588	20,148	13,097	10,597
Amounts owed by group undertakings	-	-	-	18,577
Prepayments	273,089	273,089	169,355	169,355
	<u>293,677</u>	<u>293,237</u>	<u>182,452</u>	<u>198,529</u>

Amounts owed by group are interest free and repayable on demand.

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

14. Creditors: Amounts falling due within one year

	2023		2022	
	Group £	Charity £	Group £	Charity £
Other loans	24,983	24,983	17,973	17,973
Trade creditors	9,284	5,213	13,494	13,254
Amounts owed by group undertakings	-	14,594	-	-
Social security and other taxes	46,147	68,242	6,207	-
Other creditors	-	-	2,695	2,695
Deferred income	89,273	35,275	192,867	160,967
Accruals	39,514	32,915	12,750	8,650
	<u>209,201</u>	<u>181,222</u>	<u>245,986</u>	<u>203,539</u>

15. Creditors: Amounts falling due in more than one year

	2023		2022	
	Group £	Charity £	Group £	Charity £
Other loans	<u>185,162</u>	<u>185,162</u>	<u>110,143</u>	<u>110,143</u>

16. Deferred income

	2023		2022	
	Group £	Charity £	Group £	Charity £
Balance at 1 April	192,867	160,967	124,844	100,147
Amounts released to income	(192,867)	(160,967)	(124,844)	(100,147)
Amount deferred in the year	<u>89,273</u>	<u>35,275</u>	<u>192,867</u>	<u>160,967</u>
Balance at 31 March	<u>89,273</u>	<u>35,275</u>	<u>192,867</u>	<u>160,967</u>

Deferred income comprises amounts which have been invoiced in advance and relate to future accounting periods.

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

17. Other loans

The ageing of the loans is as follows:

	2023		2022	
	Group £	Charity £	Group £	Charity £
Due in one year	24,983	24,983	17,973	17,973
Due between two and five years	83,086	83,086	71,891	71,891
Due in more than five years	102,076	102,076	38,252	38,252
	210,145	210,145	128,116	128,116

18. Restricted funds

Group and Charity - 2023	Balance at 31 March 2022 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2023 £
First Curtain	7,794	20,395	(24,000)	-	4,189
Foyle Foundation	-	15,000	(5,000)	-	10,000
Manchester City Council	-	30,000	(9,620)	-	20,380
Andrew Lloyd Webber Foundation	-	15,000	(3,750)	-	11,250
Northern Cultural Regeneration Fund	-	16,500	-	-	16,500
Total restricted funds	7,794	96,895	(42,370)	-	62,319

Group and Charity - 2022	Balance at 31 March 2021 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2022 £
First Curtain	2,629	5,165	-	-	7,794
Turn on Festival	-	16,430	(16,430)	-	-
The Wiz	-	23,945	(23,945)	-	-
Total restricted funds	2,629	45,540	(40,375)	-	7,794

First Curtain	First Curtain raises funds to buy a ticket for a child from Greater Manchester to attend the theatre for the first time.
Foyle Foundation	This grant provides funding towards a new freelance Assistant Producer role.
Manchester City Council	Funding towards capital development feasibility studies.
Andrew Lloyd Webber Foundation	The grant provides funding towards the Hope Mill Theatre School.
Northern Cultural Regeneration Fund	Funding towards capital development feasibility studies.

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

19. Unrestricted funds

	Charity £	Group £
Balance at 31 March 2021	77,969	80,932
Net movement in funds for the year	102,551	102,774
Transfer during the year	-	-
Balance at 31 March 2022	<u>180,520</u>	<u>183,706</u>
Net movement in funds for the year	(240,338)	(224,427)
Transfer during the year	-	-
Balance at 31 March 2023	<u>(59,818)</u>	<u>(40,721)</u>

20. Analysis of net assets between funds

Group - 2023	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	55,067	-	55,067
Current assets	298,575	62,319	360,894
Creditors due within one year	(209,201)	-	(209,201)
Creditors due in more than one year	(185,162)	-	(185,162)
	<u>(40,721)</u>	<u>62,319</u>	<u>21,598</u>
Group - 2022	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	55,570	-	55,570
Current assets	484,265	7,794	492,059
Creditors due within one year	(245,986)	-	(245,986)
Creditors due in more than one year	(110,143)	-	(110,143)
	<u>183,706</u>	<u>7,794</u>	<u>191,500</u>

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

20. Analysis of net assets between funds (continued)

Charity - 2023	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	52,255	-	52,255
Investments	1	-	1
Current assets	254,310	62,319	316,629
Creditors due within one year	(181,222)	-	(181,222)
Creditors due in more than one year	(185,162)	-	(185,162)
	(59,818)	62,319	2,501
Charity - 2022	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	52,056	-	52,056
Investments	1	-	1
Current assets	442,145	7,794	449,939
Creditors due within one year	(203,539)	-	(203,539)
Creditors due in more than one year	(110,143)	-	(110,143)
	180,520	7,794	188,314

21. Reconciliation of consolidated net incoming resources to net cash flow from operating activities

	2023 Group £	2022 Group £
Net (outgoing)/incoming resources	(169,902)	107,939
Interest paid	7,014	4,200
Net (outgoing)/incoming resources from operations	(162,888)	112,139
Depreciation	16,683	16,325
(Increase) in stock	(5,713)	-
(Increase) in debtors	(111,225)	(168,303)
(Decrease)/Increase in creditors	(43,795)	80,030
Net cash (outflow)/ inflow from operating activities	(306,938)	40,191

The Factory of Creativity

Notes on Accounts (continued)

Year Ended 31 March 2023

22. Analysis of net debt

	1 April 2022 £	Cash flow £	Non-cash Movements £	31 March 2023 £
Cash at the bank and in hand	309,607	(248,103)	-	61,504
Debts falling due within one year	(17,973)	82,029	(89,039)	(24,983)
Debts falling due after one year	(110,143)	-	(75,019)	(185,162)
	<u>181,491</u>	<u>(166,074)</u>	<u>(164,058)</u>	<u>(148,641)</u>

23. Financial commitments

	2023		2022	
	Group £	Company £	Group £	Company £
As at 31 March the annual commitments under non-cancellable operating leases were as follows:-				
Due within 1 year	25,000	25,000	25,000	25,000
Due within 1 to 2 years	100,000	100,000	100,000	100,000
Due within 2 to 5 years	60,417	60,417	85,417	85,417
	<u>185,417</u>	<u>185,417</u>	<u>210,417</u>	<u>210,417</u>

As at 31 March 2023 the company and the Group had capital commitments of £nil (2022: £nil).

24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £12,526 (2022: £3,226). There were no outstanding contributions payable to the fund at the reporting date.

25. Related party transactions

Transactions with trustees are disclosed in note 9.

The financial results of FOC Trading Limited as disclosed in note 11 of these financial statements.

There were no other related party transactions in the year.