

**Charity registration number: 1183251**

**The Factory of Creativity**  
**Consolidated Annual Report and Financial Statements**  
**Year ended 31 March 2024**

**The Factory of Creativity**  
**Reports and Financial Statements**  
**Year ended 31 March 2024**

<b>Contents</b>	<b>Page</b>
Trustees' report	1
Independent auditors' report	9
Consolidated Statement of Financial Activities	12
Statement of Financial Activities	13
Balance Sheets	14
Consolidated Cash Flow Statement	15
Notes to the financial statements	16

## **The Factory of Creativity**

### **Report of the Trustees for the year ended 31 March 2024**

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

<b>Trustees:</b>	A Rawlinson	Resigned 06 November 2023
	M R Dubois	
	Dr P Martin OBE	Resigned 11 May 2024
	K O'Neill	Resigned 07 February 2024
	R Miller	
	E Riley	Resigned 10 May 2024
	D Carr	
	J McCarthy	
	D Treacy	
	K M Gillibrand	
D R L Gordon	Resigned 07 October 2023	
T Kent		
C Pinney		

**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 2024 (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 2024.

#### **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***

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 receives 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.

## **The Factory of Creativity**

### **Report of the Trustees for the year ended 31 March 2024 (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 2024 (continued)**

#### ***Significant activities***

Artistically this was an ambitious and successful year for our theatre. A highlight of the year was Hope Mill Theatre's original revival of the hit true crime rock musical *LIZZIE*, Directed and choreographed by William Whelton: the show explores the life of Lizzie Borden, accused of murdering her father and stepmother with an axe in the late summer of 1892 in Fall River, Massachusetts. Featuring an all-female cast and on stage all-female rock band, the production opened at Hope Mill in September to rave reviews, selling out in its final week before embarking on a 16-week tour that spanned The Dukes in Lancaster; Trinity Arts Centre, Gainsborough; Goole's Junction; Southwark Playhouse Elephant; and Peterborough's New Theatre. This was our theatre's first major touring project, designed to take outstanding, original musical theatre production to under-served areas of the country. While there were challenges in replicating the production's stunning visual and technical quality in a range of smaller venues – for Junction Goole, for example, this was the biggest show ever staged – the show lost none of its energy and impact: Lauren Drew went on to win in the 2023 Broadway World UK/West End Awards (Best Leading Performer in a New Production of a Musical), for her portrayal of Lizzie. *LIZZIE The Musical* will return to Hope Mill in Autumn 2024.

The principle of taking the highest quality work out to reach all audiences, and particularly those for whom such opportunities are limited, was and remains important to Hope Mill Theatre. The reality however is that the costs and risks associated with existing touring models are prohibitive; sadly, touring is unlikely to become a regular part of our programme and offer unless funding models change to permit detailed planning and sizeable investment well in advance of touring activity.

Close on the heels of *LIZZIE* came Hope Mill Theatre's world premiere of *To Wong Foo The Musical*, based on the cult 1995 road movie following the adventures of three drag queens stuck in a US small town. Audiences and critics took the glorious production to their hearts ("This dazzling and unapologetically sentimental adaptation of the 1995 film shows how innovative the small Hope Mill Theatre is" *The Telegraph*): certain audience members came to see the show no less than 5 times during its 9-week run! Shortlisted for Best Regional Production in the What's On Stage awards, and nominated for Best Costume Design, this was an ambitious, visually stunning production that brought together a diverse, talented cast of 18, including one actor making his professional debut. We are committed to offering opportunity and progression to as many and as wide a range of artists and performers as possible through our artistic programme – a vital contribution to our sector as financial pressures continue to drive the trend towards smaller casts.

January brought the 5th edition of Turn On Fest, our annual LGBTQIA+ arts festival. Turn On Fest provides an important platform for both emerging and established queer artists to develop and hone their ideas and practice: every year, four LGBTQIA+ artists from the North West are offered time, resources, production support and a stage on which to showcase a piece of work in progress and invite live feedback from audiences, including direct individual feedback via personal QR codes. This year, our four development grant artists were selected from over 80 applicants, more than in any previous year: they went straight on to perform their pieces at major venues such as HOME, Contact, Waterside and The Lowry. The percentage of tickets sold was higher than in previous years, as audiences continue to build: 119 bookers were new to our theatre with many going on to book for future productions. In total the festival provided opportunities for 50 individual artists.

The year ended with the world premiere of *The Gap*, a playful, moving new play by Jim Cartwright starring Denise Welch and Matthew Kelly as old friends reunited after 50 years apart, revisiting their younger lives in 60s Soho. The production delighted audiences, packing out the house night after night with wonderful performances that mixed waspishness and nostalgia, urban poetry and comedy. This is a model we plan to return to, bringing smaller, high-profile casts to attract a broad audience to new work.

More widely throughout the year we welcomed many smaller companies and productions to our stage, an important contribution to Manchester's creative ecology, where in bridging the gap between small fringe houses and large-scale venues we challenge people's expectations of small-scale theatre, offering a space where the standard of work is second to none, and where exciting new ideas, skills and talents are able to shine. Over the year as a whole we presented 247 performances in total and attracted paid attendances of 21,890, an occupancy rate of 70%: this is a strong performance at a time when smaller theatres across the country are struggling to sustain audiences, it speaks to the strength and vibrancy of this programme.

## **The Factory of Creativity**

### **Report of the Trustees for the year ended 31 March 2024 (continued)**

#### ***Significant activities (continued)***

Hope Mill Theatre's community programme is thriving, with our Community Choir and Community Orchestra enriching our own programme throughout the year and increasingly performing further afield across Manchester and at local community events. HMT's Theatre School (for ages 2-18), led by industry professionals, continues to welcome children and young people to develop their skills and talents, build confidence and friendships and explore creative career pathways. Thanks to kind support from the Andrew Lloyd Webber Foundation and more recently the Albert Gubay Charitable Foundation, we are able to make 50% of places available free of charge for local children and young people who could not otherwise afford such opportunities. Both HMT's community programme and Theatre School are an integral part of who and what we are: these activities are fully woven into our year-round programme and productions.

Finally, in February 2024, we staged a sensational one-night experience of *Gypsy The Musical*, in concert at Manchester Opera House – directed by Jospeh Houston and William Whelton with a stellar cast including Jodie Prenger, Tom Lister and Grace Mouat, joined by students from Laine Theatre Arts and Stagebox Theatre Academy and featuring a live 24-piece orchestra. This spectacular evening was planned as a fundraiser, inviting support for our Hope for the Future campaign. It was hugely successful in raising funds, filling the 2000-seat space to 80% of capacity. It was also an invaluable experience in taking the Hope Mill Theatre experience out beyond our own walls: long-standing, loyal audience members attending the event marvelled at our ability to fully recreate the unique 'Hope Mill magic' they so love in this much larger, city centre venue. This is an important insight as we explore a new business model around creating large-scale original productions in partnership with major cultural venues, as a way of continuing to build audiences for our original productions.

## **The Factory of Creativity**

### **Report of the Trustees for the year ended 31 March 2024 (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 2023/24 was £1,659,397 compared to £1,266,479 in 2022/23 (restated figures after adjustments made for an accrual of Box Office income). Expenditure was £1,774,923 (£1,455,426 in 2022/23), representing an operating deficit of £115,526. This was a substantial improvement in performance compared to the previous year (restated deficit £188,947), however like many other small-scale theatres, the charity continued to struggle with changes to audience booking habits, with bookers typically leaving it to the last minute to book at a point where special offers and promotions were available. This significantly reduced the contribution from Box Office, with the greatest impact seen for original productions presented by a large cast/creative team, such as *To Wong Foo*, which are very costly to stage. The same pattern was repeated on the nationwide tour of *LIZZIE*, where the time taken for local, word-of-mouth and social media recommendations to build, combined with the short length of runs, meant that average occupancy levels remained lower than hoped for, despite sell-out performances at the end of the run.

This said, income from ticket sales, at £653,188, increased compared to the previous year (£593,071) and trading income from hospitality and theatre hires also performed well (total £305,826 compared to £256,995 in 2022/23). Increased expenditure for the year was largely due to greatly increased pre-production expenses and artist costs (total £1,067,991 compared to £407,863 the previous year), reflecting a year when we invested heavily in high quality new productions (including for 2024/25), that we plan ultimately to tour with commercial partners. Much of this expenditure is eligible for Theatre Tax Relief, which will be paid in the coming year. We plan to bring *LIZZIE* back to Hope Mill in late 2024, to maximise the income-generating potential of a production for which we know substantial additional audiences exist in the region, now that awareness is high: the show wowed the critics and was selling-out by the end of its first Manchester run.

Meanwhile, Hope Mill Theatre's production strategy has changed to reflect the harsh realities of recouping investment in high-quality, original productions within a small-scale venue. The restrictions of auditorium size and bar capacity place a very real limit on the revenue that can be generated from ticket and ancillary sales, and it not sustainable to continue subsidising this important creative output through our wider programme. We will therefore in future create major new musical productions with partners, for larger stages, where sufficient audiences can be accommodated not only to recoup production costs but to generate regular surpluses. This will enable us to maintain our focus on the highest production values, while providing opportunities for emerging talent on stage. The first production to be delivered in this way is *A Christmas Carol*, at The Lowry in late 2024: as a Christmas show this is already benefiting from the advance planning and bookings that characterise audiences over this holiday period.

In Summer 2023, in response to this worsened balance sheet position alongside increasing operating costs and reducing audience spend, we launched Hope for the Future, a major fundraising campaign that culminated with a fundraiser presentation of *Gypsy The Musical* at Manchester Opera House. We were delighted and moved by the unfailing generosity of our audiences, participants and community: over the year, donations mounted to over £80,000, enabling our programmes and output to continue to develop and thrive in ways that would otherwise simply not have been possible. In addition, we are as ever hugely grateful for the generosity of the many grant-makers who support our work: other than an annual grant of £37,822 from Manchester City Council the charity receives no core funding. Support from the likes of the Andrew Lloyd Webber Foundation, Theatres Trust, Partners Foundation and Garrick Charitable Trust are invaluable in ensuring that our local community and children and young people in particular continue to access creative opportunities that would otherwise not be available.



## **The Factory of Creativity**

### **Report of the Trustees for the year ended 31 March 2024 (continued)**

#### ***Reserves policy***

The charity ended the year with a negative reserve balance of (£116,130). This inevitably gives rise to material uncertainty as to whether the group can continue as a going concern. The charity is taking strong actions to reduce its regular outgoings, through e.g. reductions in the payroll and vacating the adjacent community hub; the cashflow position, meanwhile, remains stable, with substantial income expected from debtors (including Tax Credits) in the coming year and much of the current debt held in the form of loans, with just under half (c. £175K) falling due within the coming year. The Trustees are confident that an exceptionally strong programme, including A Christmas Carol at The Lowry, will enable a strong recovery and move the charity to a more secure financial position. A Christmas Carol went on sale in December 2023 and is already selling strongly, well before the marketing campaign has started and before the public announcement of an exceptional cast. The aim is ultimately, over the next 4 years, to build reserves to the equivalent of 3 months' core operating costs, including provision for contractual liabilities: the target figure is £300,000).

#### ***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 and venue partnerships enabling ambitious, large-scale works that go on to tour nationally/internationally, so building income and reinforcing sustainability.
- expand our COMMUNITY programme, 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 and 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

2024 marks the 200th anniversary of our unique and beautiful home, Hope Mill: since 1824 this formidable 7-storey structure has been an integral part of the vastly changing fortunes of a neighbourhood recognised as the birthplace of the industrial revolution and an industrial landscape of international significance. We plan to engage our entire community – audiences, participants, creatives, neighbours, co-tenants and partners – in discovering Hope Mill's stories and histories and celebrating this rich heritage in a host of different ways: performance, storytelling, events, family fun days, displays and more. Initial consultation has revealed a real curiosity and appetite to discover this history and detailed plans are being developed: we are excited by this opportunity to unveil and preserve Hope Mill's history while building new connections and audiences in the process.

Hope Mill's Big Birthday will feature right across our community programmes and events calendar: approximately 200 participants will bring their own ideas, talents and creativity to these celebrations. Our partnership with a local school that will host Theatre School and other elements of community activity from April 2024 brings the possibility of expanding provision in this larger venue. We plan for example, funding permitting, to offer additional Theatre School sessions on Sundays for a new cohort of children and young people, continuing to build this exciting pool of young talent in an area of Manchester where access to such opportunities has previously been limited.

## **The Factory of Creativity**

### **Report of the Trustees for the year ended 31 March 2024 (continued)**

#### ***Future strategy (continued)***

In this coming year, we will create a large-scale musical production of A Christmas Carol for presentation at The Lowry over the Christmas 2024 period. This marks an important first step in creating new work for larger, partner venues – essential if the growth in our ambition, output, reach and reputation are to be sustained as our home venue nears capacity. Increased audience numbers will contribute to ongoing financial sustainability, with plans in place to ensure our existing audiences engage with this new programme and indeed enjoy special insights and previews within Hope Mill itself. We are encouraged by extensive audience consultation that shows extraordinary loyalty and commitment among existing audiences, with a clear readiness to increase their attendances and participation if we can provide more of what they love.

Meanwhile early work is under way with commercial partners on the creation of an original new musical, SAVAGE, celebrating the unique blend of talent, wit, compassion and authenticity that was the much-loved Paul O’Grady. The project has been several years in development and 2024/5 will be a pivotal year in realising it in time for a late 2025 premiere.

## The Factory of Creativity

### Report of the Trustees for the year ended 31 March 2024 (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 ..08/08/2024..... and signed on the board's behalf by:



.....  
R Miller - Chair

## **The Factory of Creativity**

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

#### **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 2024 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, the financial statements:

- give a true and fair view of the state of the charity and group's affairs as at 31 March 2024 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 opinion**

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

We have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the charity's ability to continue as a going concern, the group's liabilities exceeded its total assets by £112,973. This condition along with other matters explained in note 1 to the financial statements, indicates the existence of a material uncertainty which may cast doubt over the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern. Our opinion is not modified in this respect.

#### **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](http://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.

The logo for Hawsons, featuring the name 'Hawsons' in a stylized, handwritten blue font.

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.

09/08/2024

# The Factory of Creativity

## Consolidated Statement of Financial Activities

Year Ended 31 March 2024

		Unrestricted Fund £	Restricted Funds £	2024 Total £	As restated 2023 Total £
<b>Income and Endowments from:</b>	Notes				
Grant, donations and legacies	2	228,177	15,350	<b>243,527</b>	229,737
Charitable activities	3	684,584	-	<b>684,584</b>	623,811
Other trading activities	4	403,054	-	<b>403,054</b>	277,495
Other income	5	328,232	-	<b>328,232</b>	135,436
<b>Total incoming resources</b>		<b>1,659,397</b>	<b>15,350</b>	<b>1,659,397</b>	<b>1,266,479</b>
<b>Resources expended</b>					
Raising funds	6	107,624	-	<b>107,624</b>	231,686
Charitable activities	7	1,625,799	41,500	<b>1,667,299</b>	1,223,740
<b>Total resources expended</b>		<b>1,733,423</b>	<b>41,500</b>	<b>1,774,923</b>	<b>1,455,426</b>
<b>Net (expenditure)/income</b>		<b>(89,376)</b>	<b>(26,150)</b>	<b>(115,526)</b>	<b>(188,947)</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(89,376)</b>	<b>(26,150)</b>	<b>(115,526)</b>	<b>(188,947)</b>
Funds brought forward		(59,766)	62,319	<b>2,553</b>	191,500
<b>Funds carried forward</b>		<b>(149,142)</b>	<b>36,169</b>	<b>(112,973)</b>	<b>2,553</b>

# The Factory of Creativity

## Statement of Financial Activities

Year Ended 31 March 2024

		Unrestricted Fund £	Restricted Funds £	2024 Total £	As restated 2023 Total £
<b>Income and Endowments from:</b>	Notes				
Grant, donations and legacies	2	228,177	15,350	243,527	229,737
Charitable activities	3	131,766	-	131,766	623,811
Other trading activities		684,584	-	684,584	52,371
Other income	5	493,100	-	493,100	135,436
<b>Total incoming resources</b>		<b>1,537,627</b>	<b>15,350</b>	<b>1,552,977</b>	<b>1,041,355</b>
<b>Resources expended</b>					
Raising funds	6	1,808	-	<b>1,808</b>	22,473
Charitable activities	7	1,625,799	41,500	<b>1,667,299</b>	1,223,740
<b>Total resources expended</b>		<b>1,627,607</b>	<b>41,500</b>	<b>1,669,107</b>	<b>1,246,213</b>
<b>Net (expenditure)</b>		<b>(89,980)</b>	<b>(26,150)</b>	<b>(116,130)</b>	<b>(204,858)</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(89,980)</b>	<b>(26,150)</b>	<b>(116,130)</b>	<b>(204,858)</b>
Funds brought forward		(78,863)	62,319	<b>(16,544)</b>	188,314
<b>Funds carried forward</b>		<b>(168,843)</b>	<b>36,169</b>	<b>(132,674)</b>	<b>(16,544)</b>



# The Factory of Creativity

## Balance Sheets

31 March 2024

	Notes	31 March 2024		As restated 31 March 2023	
		Group £	Company £	Group £	Company £
<b>Fixed assets</b>					
Tangible assets	10	61,238	54,234	55,067	52,255
Investments	11	-	1	-	1
		<u>61,238</u>	<u>54,235</u>	<u>55,067</u>	<u>52,256</u>
<b>Current assets</b>					
Stock	12	3,458	-	5,713	-
Debtors	13	394,127	381,894	293,677	293,237
Cash at bank and in hand		32,422	24,700	61,504	23,392
		<u>430,007</u>	<u>406,594</u>	<u>360,894</u>	<u>316,629</u>
<b>Creditors</b> – amounts falling due within one year	14	<u>(427,385)</u>	<u>(423,545)</u>	<u>(228,246)</u>	<u>(200,267)</u>
<b>Net current assets</b>		<u>2,622</u>	<u>(16,951)</u>	<u>132,648</u>	<u>116,362</u>
Total assets less current liabilities		63,860	37,284	187,715	168,618
<b>Creditors</b> – amounts falling due after one year	15	<u>(176,833)</u>	<u>(169,958)</u>	<u>(185,162)</u>	<u>(185,162)</u>
<b>Net assets</b>		<u>(112,973)</u>	<u>(132,674)</u>	<u>2,553</u>	<u>(16,544)</u>
<b>Charity funds</b>					
Restricted funds	18	36,169	36,169	62,319	62,319
Unrestricted funds	19	(149,142)	(168,843)	(59,766)	(78,863)
<b>Total charity funds</b>		<u>(112,973)</u>	<u>(132,674)</u>	<u>2,553</u>	<u>(16,544)</u>

The financial statements were approved by the board of trustees on 8th August 2024 and signed on its behalf by:



**R Miller**  
Trustee

# The Factory of Creativity

## Consolidated Statement of Cashflows

Year Ended 31 March 2024

	Notes	2024 £	2023 £
<b>Cash flow from operating activities</b>	21	<b>(129,040)</b>	<b>(306,938)</b>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		<b>(21,194)</b>	(16,180)
Interest paid		<b>(13,707)</b>	(7,014)
Interest received		<b>62</b>	-
<b>Net cash flow from investing activities</b>		<b>(34,839)</b>	<b>(23,194)</b>
<b>Cash flow from financing activities</b>			
New loan in the year		<b>150,000</b>	100,000
Repayment of borrowings		<b>(15,203)</b>	(17,971)
<b>Net cash flow from financing activities</b>		<b>134,797</b>	<b>82,029</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(29,082)</b>	<b>(248,103)</b>
<b>Cash and cash equivalents at 1 April</b>		<b>61,504</b>	<b>309,607</b>
<b>Cash and cash equivalents at 31 March</b>		<b>32,422</b>	<b>61,504</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		<b>32,422</b>	61,504
<b>Cash and cash equivalents at 31 March</b>		<b>32,422</b>	<b>61,504</b>

# The Factory of Creativity

## Notes on Accounts

Year Ended 31 March 2024

### 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 charity 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 2024

#### 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 £115,526 and funds were reduced to £(112,973) 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.

##### **Prior period adjustment**

In the prior period, revenue had been recognised which related to future periods and has therefore been amended accordingly. The impact on the prior year is as follows:

	2023 £
Revenue	(19,045)
Deferred income	<u>19,045</u>

# The Factory of Creativity

## Notes on Accounts (continued)

Year Ended 31 March 2024

### 2. Income from grants, donations and legacies

	Unrestricted fund 2024 £	Restricted fund 2024 £	<b>Total funds 2024 £</b>	Total funds 2023 £
Donations	81,415	350	<b>81,765</b>	31,861
Total donations	81,415	350	<b>81,765</b>	31,861
Manchester City Council	37,822	-	<b>37,822</b>	30,000
Arts Council England	88,440	-	<b>88,440</b>	55,203
National Lottery Key fund	-	-	-	35,273
Northern Cultural Regeneration Fund	-	-	-	16,500
Foyle Foundation	-	-	-	15,000
Andrew Lloyd	-	15,000	<b>15,000</b>	15,000
Granada Foundation	-	-	-	2,000
LGBT Foundation	-	-	-	2,000
Noel Coward Foundation	-	-	-	2,400
MCR Active	-	-	-	4,500
Garfield Western	-	-	-	20,000
Manchester Pride	1,000	-	<b>1,000</b>	-
Theatres Trust	5,000	-	<b>5,000</b>	-
Partners Foundation Community Programme	5,000	-	<b>5,000</b>	-
Turn On Fest	2,000	-	<b>2,000</b>	-
Gordon Barton	5,000	-	<b>5,000</b>	-
Garrick Trust	2,500	-	<b>2,500</b>	-
Total grants	146,762	15,000	<b>161,762</b>	197,876
Total	228,177	15,350	<b>243,527</b>	229,737

### 3. Income from charitable activities

	Unrestricted fund 2024 £	Restricted fund 2024 £	<b>Total funds 2024 £</b>	As restated Total Funds 2023 £
Ticket sales	653,188	-	<b>653,188</b>	593,071
Memberships	13,191	-	<b>13,191</b>	9,410
Theatre school	18,205	-	<b>18,205</b>	21,330
	684,584	-	<b>684,584</b>	623,811

# The Factory of Creativity

## Notes on Accounts (continued)

Year Ended 31 March 2024

### 4. Income from other trading activities

	Unrestricted fund 2024 £	Restricted fund 2024 £	Total funds 2024 £	Total funds 2023 £
<b>Charitable trading:</b>				
Sales of Product Income	89,305	-	<b>89,305</b>	20,200
Fundraising	7,923	-	<b>7,923</b>	-
Trading income	271,288	-	<b>271,288</b>	225,124
Advertising	-	-	-	300
Theatre Hire	34,538	-	<b>34,538</b>	31,871
	<u>403,054</u>	<u>-</u>	<u><b>403,054</b></u>	<u>277,495</u>

### 5. Other income

	Unrestricted fund 2024 £	Restricted fund 2024 £	Total funds 2024 £	Total funds 2023 £
Theatre Tax Relief	326,901	-	<b>326,901</b>	127,882
Other income	1,331	-	<b>1,331</b>	7,554
	<u>328,232</u>	<u>-</u>	<u><b>328,232</b></u>	<u>135,436</u>

### 6. Expenditure on raising funds

	Unrestricted fund 2024 £	Restricted fund 2024 £	Total funds 2024 £	Total funds 2023 £
<b>Charitable:</b>				
Purchases	847	-	<b>847</b>	2,024
Fundraising costs	961	-	<b>961</b>	20,449
<b>Non-Charitable:</b>				
Trading subsidiary expenditure	105,816	-	<b>105,816</b>	145,663
Trading subsidiary staff costs	-	-	-	63,550
	<u>107,624</u>	<u>-</u>	<u><b>107,624</b></u>	<u>231,686</u>

# The Factory of Creativity

## Notes on Accounts (continued)

Year Ended 31 March 2024

### 7. Expenditure on charitable activities

	Unrestricted fund 2024 £	Restricted fund 2024 £	Total funds 2024 £	Total funds 2023 £
<b><i>Production costs</i></b>				
Hire of equipment	-	-	-	16,731
Box office	61,001	-	61,001	335,271
Pre-production expenses	781,678	-	781,678	306,502
Artist Travel	1,694	-	1,694	8,494
Artists	286,313	-	286,313	101,361
Set, costume and prep	1,866	-	1,866	17,764
	<u>1,132,552</u>	<u>-</u>	<u>1,132,552</u>	<u>786,123</u>
<b><i>Establishment costs</i></b>				
Rent and rates	76,335	-	76,335	39,576
Insurance	6,554	-	6,554	6,241
Light and heat	-	-	-	13,403
Telephone	3,897	-	3,897	2,009
	<u>86,786</u>	<u>-</u>	<u>86,786</u>	<u>61,229</u>
<b><i>Support costs</i></b>				
Computer expenditure	883	-	883	4,993
Repair and maintenance	6,354	-	6,354	21,515
Entertainment	1,369	-	1,369	4,649
Licenses and memberships	11,658	-	11,658	5,214
Cleaning	6,112	-	6,112	5,910
Health and safety	3,031	-	3,031	2,966
Travel	24,174	-	24,174	11,655
Depreciation	13,932	-	13,932	15,981
Printing, postage and stationery	4,411	-	4,411	6,020
Advertising	13,396	322	13,718	9,685
Sundries	1,712	-	1,712	2,916
Bank loan interest	13,645	-	13,645	7,014
VAT expense	(47,483)	-	(47,483)	30,929
	<u>53,194</u>	<u>322</u>	<u>53,516</u>	<u>129,447</u>
<b><i>Payroll costs</i></b>				
Staff costs	308,630	41,128	349,758	219,880
Training	1,638	50	1,688	2,321
	<u>310,268</u>	<u>41,178</u>	<u>351,446</u>	<u>222,201</u>
<b><i>Governance costs</i></b>				
Auditor's remuneration	13,442	-	13,442	14,626
Legal and professional fees	28,833	-	28,833	9,816
Bank charges	724	-	724	298
	<u>42,999</u>	<u>-</u>	<u>42,999</u>	<u>24,740</u>
<b>Total expenditure on charitable activities</b>	<u>1,625,799</u>	<u>41,500</u>	<u>1,667,299</u>	<u>1,223,740</u>

# The Factory of Creativity

## Notes on Accounts (continued)

Year Ended 31 March 2024

### 8. Net income for the year

	2024 £	2023 £
This is stated after charging:		
Depreciation	15,023	16,683
Fees payable to the Charity's auditors in respect of:		
The audit of the Charity's annual accounts	7,000	6,000
The audit of the subsidiary's annual accounts	1,250	1,000
All taxation advisory services	3,250	3,000
All non-audit services not included above	<u>2,150</u>	<u>7,126</u>

### 9. Staff costs and trustee remuneration

	2024		2023	
	Group £	Charity £	Group £	Charity £
Wages and salaries	307,769	307,769	257,091	199,446
Social security costs	28,530	28,530	21,614	16,768
Pension costs	<u>13,459</u>	<u>13,459</u>	<u>4,725</u>	<u>3,666</u>
	<u>349,758</u>	<u>349,758</u>	<u>283,430</u>	<u>219,880</u>

	2024		2023	
	Group	Charity	Group	Charity
Employees	<u>15</u>	<u>15</u>	<u>19</u>	<u>19</u>

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

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	1	1

During the year, no trustees received any remuneration or other benefits (2023: Nil). No (2023: Nil) trustees had expenses reimbursed during the year (2023: £Nil).

The total amount of employee benefits received by key management personnel is £122,612 (2023: £111,886). 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 2024

### 10. Tangible fixed assets Group

	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2023	85,084	20,792	11,885	<b>117,761</b>
Additions	21,194	-	-	<b>21,194</b>
Disposals	-	-	-	-
At 31 March 2024	<u>106,278</u>	<u>20,792</u>	<u>11,885</u>	<u><b>138,955</b></u>
<b>Depreciation</b>				
At 1 April 2023	40,444	11,819	10,431	<b>62,694</b>
Charge for the year	12,647	1,794	582	<b>15,023</b>
Eliminated on disposal	-	-	-	-
At 31 March 2024	<u>53,091</u>	<u>13,613</u>	<u>11,013</u>	<u><b>77,717</b></u>
<b>Net book value</b>				
<b>At 31 March 2024</b>	<u><b>53,187</b></u>	<u><b>7,179</b></u>	<u><b>872</b></u>	<u><b>61,238</b></u>
At 31 March 2023	<u>44,640</u>	<u>8,973</u>	<u>1,454</u>	<u>55,067</u>
<b>Charity</b>				
	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2023	82,832	18,233	11,076	112,141
Additions	15,911	-	-	15,911
Disposals	-	-	-	-
At 31 March 2024	<u>98,743</u>	<u>18,233</u>	<u>11,076</u>	<u>128,052</u>
<b>Depreciation</b>				
At 1 April 2023	39,345	10,459	10,082	59,886
Charge for the year	11,888	1,554	490	13,932
Eliminated on disposal	-	-	-	-
At 31 March 2024	<u>51,233</u>	<u>12,013</u>	<u>10,572</u>	<u>73,818</u>
<b>Net book value</b>				
<b>At 31 March 2024</b>	<u><b>47,510</b></u>	<u><b>6,220</b></u>	<u><b>504</b></u>	<u><b>54,234</b></u>
At 31 March 2023	<u>43,487</u>	<u>7,774</u>	<u>994</u>	<u>52,255</u>

# The Factory of Creativity

## Notes on Accounts (continued)

Year Ended 31 March 2024

### 11. Fixed asset investments

				Investment in subsidiary companies £
Charity				
Cost or valuation				
At 1 April 2023 and 31 March 2024				<u>1</u>
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	271,288	(254,070)	17,218	19,700

### 12. Stocks

	Group 2024 £	Group 2023 £
Goods held for resale	<u>3,458</u>	<u>5,713</u>

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

### 13. Debtors

	2024		2023	
	Group £	Charity £	Group £	Charity £
Trade debtors	14,184	5,809	20,588	20,148
Other debtors	3,858	-	-	-
Prepayments	376,085	376,085	273,089	273,089
	<u>394,127</u>	<u>381,894</u>	<u>293,677</u>	<u>293,237</u>

# The Factory of Creativity

## Notes on Accounts (continued)

Year Ended 31 March 2024

### 14. Creditors: Amounts falling due within one year

	2024		As restated 2023	
	Group £	Charity £	Group £	Charity £
Other loans	174,984	174,984	24,983	24,983
Trade creditors	45,478	45,478	9,284	5,213
Amounts owed to group undertakings	-	57,409	-	14,594
Social security and other taxes	83,744	83,744	46,147	68,242
Other creditors	2,368	2,368	-	-
Deferred income	100,574	41,824	108,318	54,320
Accruals	20,237	17,738	39,514	32,915
	<b>427,385</b>	<b>423,545</b>	<b>228,246</b>	<b>200,267</b>

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

	2024		2023	
	Group £	Charity £	Group £	Charity £
Other loans	169,958	169,958	185,162	185,162
Deferred income	6,875	-	-	-
	<b>176,833</b>	<b>169,958</b>	<b>185,162</b>	<b>185,162</b>

### 16. Deferred income

	2024		As restated 2023	
	Group £	Charity £	Group £	Charity £
Balance at 1 April	108,318	54,320	192,867	160,967
Amounts released to income	(108,318)	(54,320)	(192,867)	(160,967)
Amount deferred in the year	107,449	41,824	108,318	54,320
Balance at 31 March	<b>107,449</b>	<b>41,824</b>	<b>108,318</b>	<b>54,320</b>

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 2024

#### 17. Other loans

The ageing of the loans is as follows:

	2024		2023	
	Group £	Charity £	Group £	Charity £
Due in one year	174,984	174,984	24,983	24,983
Due between two and five years	69,958	69,958	83,086	83,086
Due in more than five years	100,000	100,000	102,076	102,076
	<b>344,942</b>	<b>344,942</b>	<b>210,145</b>	<b>210,145</b>

#### 18. Restricted funds

Group and Charity - 2024	Balance at 31 March 2023 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2024 £
First Curtain	4,189	350	-	-	4,539
Foyle Foundation	10,000	-	(10,000)	-	-
Manchester City Council	20,380	-	-	-	20,380
Andrew Lloyd Webber Foundation	11,250	15,000	(15,000)	-	11,250
Northern Cultural Regeneration Fund	16,500	-	(16,500)	-	-
<b>Total restricted funds</b>	<b>62,319</b>	<b>15,350</b>	<b>(41,500)</b>	<b>-</b>	<b>36,169</b>

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
<b>Total restricted funds</b>	<b>7,794</b>	<b>96,895</b>	<b>(42,370)</b>	<b>-</b>	<b>62,319</b>

#### 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 2024

#### 19. Unrestricted funds

	Charity £	Group £
Balance at 31 March 2022	180,520	183,706
Net movement in funds for the year (as restated)	(259,383)	(243,472)
Transfer during the year	-	-
Balance at 31 March 2023 (as restated)	(78,863)	(59,766)
Net movement in funds for the year	(89,980)	(89,376)
Transfer during the year	-	-
<b>Balance at 31 March 2024</b>	<b>(168,843)</b>	<b>(149,142)</b>

#### 20. Analysis of net assets between funds

Group - 2024	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	61,238	-	<b>61,238</b>
Current assets	393,838	36,169	<b>430,007</b>
Creditors due within one year	(427,385)	-	<b>(427,385)</b>
Creditors due in more than one year	(176,833)	-	<b>(176,833)</b>
	(149,142)	36,169	<b>(112,973)</b>
<b>Group – 2023 (As restated)</b>			
	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	(228,246)	-	(228,246)
Creditors due in more than one year	(185,162)	-	(185,162)
	(59,766)	62,319	2,553

# The Factory of Creativity

## Notes on Accounts (continued)

Year Ended 31 March 2024

### 20. Analysis of net assets between funds (continued)

<b>Charity - 2024</b>	Unrestricted funds £	Restricted funds £	<b>Total funds £</b>
Tangible fixed assets	54,234	-	<b>54,234</b>
Investments	1	-	<b>1</b>
Current assets	370,425	36,169	<b>406,594</b>
Creditors due within one year	(423,545)	-	<b>(423,545)</b>
Creditors due in more than one year	(169,958)	-	<b>(169,958)</b>
	<u>(168,843)</u>	<u>36,169</u>	<u><b>(132,674)</b></u>
<b>Charity – 2023 (As restated)</b>	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	(200,267)	-	(200,267)
Creditors due in more than one year	(185,162)	-	(185,162)
	<u>(78,863)</u>	<u>62,319</u>	<u>(16,544)</u>

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

	<b>2024 Group £</b>	As rested 2023 Group £
Net (outgoing) resources	<b>(115,526)</b>	(188,947)
Interest paid	<b>13,707</b>	7,014
Interest received	<b>(62)</b>	-
Net (outgoing) resources from operations	<u><b>(101,881)</b></u>	<u>(181,933)</u>
Depreciation	<b>15,023</b>	16,683
Decrease/(increase) in stock	<b>2,255</b>	(5,713)
(Increase) in debtors	<b>(100,450)</b>	(111,225)
Increase/(decrease) in creditors	<b>56,013</b>	(24,750)
Net cash (outflow)/ inflow from operating activities	<u><b>(129,040)</b></u>	<u>(306,938)</u>

## The Factory of Creativity

### Notes on Accounts (continued)

Year Ended 31 March 2024

#### 22. Analysis of net debt

	1 April 2023 £	Cash flow £	Non-cash Movements £	31 March 2024 £
Cash at the bank and in hand	61,504	(29,082)	-	<b>32,422</b>
Debts falling due within one year	(24,983)	134,797	(284,798)	<b>(174,984)</b>
Debts falling due after one year	(185,162)	-	15,204	<b>(169,958)</b>
	<u>(148,641)</u>	<u>105,715</u>	<u>(269,594)</u>	<u><b>(312,520)</b></u>

#### 23. Financial commitments

	2024		2023	
	Group £	Company £	Group £	Company £
As at 31 March the annual commitments under non-cancellable operating leases were as follows:-				
Due within 1 year	<b>25,000</b>	<b>25,000</b>	25,000	25,000
Due within 1 to 2 years	<b>100,000</b>	<b>100,000</b>	100,000	100,000
Due within 2 to 5 years	<b>35,417</b>	<b>35,417</b>	60,417	60,417
	<u><b>160,417</b></u>	<u><b>160,417</b></u>	<u>185,417</u>	<u>185,417</u>

As at 31 March 2024 the company and the Group had capital commitments of £nil (2023: £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 £13,459 (2023: £12,526). 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.

During the year, W Whelton loaned the charity £130,000. This balance is unsecured and no interest is charged. At the balance sheet date, £130,000 is outstanding and is included in other loans.