

The Bluecoat
(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

Year ending 31 March 2021

Company number 02246627

Charity number 700862

THE BLUECOAT
(A company limited by guarantee)

**FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

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THE BLUECOAT
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Company Information for Year Ended 31 March 2021

Company number: 02246627

Charity Number: 700862

Registered Office: School Lane, Liverpool, L1 3BX

Auditors: BWM, Suite 5.1, 12 Tithebarn Street, Liverpool, L2 2DT

Bankers: Barclays Bank Plc, 11th Floor, 20 Chapel Street, Liverpool, L3 9AG

Directors

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees serving during the year and since the year end were as follows:

Chair	Peter Mearns
Directors	Dan Stinson
	Eddie Berg
	Kelly Salvoni
	Jamie Eastman
	Ralph Bullivant
	Sri Sarker
	Michael Birchall
	Sally-Anne Watkiss
	Philomena Harrison
	Gabriella Chauke (appointed 25 January 2021)
Chief Executive	Mary Cloake

Governing Document

The Bluecoat is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 21 April 1988, as amended by special resolutions dated passed 27 September 1988 and 9 December 2003.

Chair's Report for Year Ending 31 March 2021

This year has been a year like no other - for Bluecoat, for the cultural sector, for the whole world. COVID-19 has changed our lives completely but looking back on the year I am amazed at the resilience and strength demonstrated by the Bluecoat team to get through such a difficult time with grace and stoicism. And, although it has been extremely challenging, it has also provided Bluecoat with a moment to reflect on and strengthen our strategy for the next ten years.

While COVID changed many things about the way we run our organisation, the death of George Floyd and the subsequent emphasis on Black Lives Matter has, perhaps, had a more fundamental effect on the Bluecoat. It has led us to re-evaluate the responsibilities we have in civic society and how we relate to all parts of society - as a visitor attraction, an employer and a Liverpool institution. I'm pleased to say we have made some progress in this area in the last year and have developed an action plan aimed at taking decisive action towards creating a more equal organisation and diversifying our sector.

Although we had to close our doors to the public for much of this financial year, we were keen to use this time wisely to create a better visitor experience when we were able to open. One of our major achievements was to reconfigure our Hub space to make it more comfortable, safer and easier to navigate in line with feedback from visitors who use this space. Our lighting systems were replaced throughout the building much improving our environmental impact.

During this time, we worked on a brand strategy for Bluecoat with Manchester-based Modern Designers, to improve our communications with audiences. As part of this we rearticulated Bluecoat's purpose and developed four brand pillars to underpin our marketing strategy. Modern Designers developed a flexible, playful new visual identity providing a fresh new look for the Bluecoat, which will drive the organisation forward over the next ten years.

Without our beautiful building open to the public, our digital presence became all important and gave us the impetus to fast track the creation of a new website that reflects our organisation and provides a platform to showcase work in its own right. During lockdown, we launched a number of online events to support our programme and have been encouraged by their success.

This unprecedented year saw us all significantly change our working practices, not least within the participation team whose work would normally rely on face to face interactions with participants. Within days, programmes like Blue Room had been completely reimaged to run online and provided a valuable lifeline for participants at a time when feelings of isolation and loneliness were at their highest.

Although our artistic programme was compromised by the multiple venue closures, I was delighted to see Sean Edwards' Wales in Venice exhibition Undo Things Done make its way to Liverpool. Although it wasn't open for as long as planned, the exhibition's themes of place, politics and class couldn't have been more relevant to our current context, and I'm pleased we were able to raise awareness of food poverty through our Christmas family initiative. Alongside Edwards' show we introduced Sadia Pineda Hameed's most recent moving image work, tiny bubbles in the wine (2019), a collaged film that evoked the artist's mother's previously untold experiences of migrating from the Philippines to the UK.

Shortly before lockdown, we welcomed Frances Disley and Jonathan Baldock to the gallery. In a somewhat prophetic exhibition Pattern Buffer, Disley explored the potential of the gallery space to create a restorative environment. Relaxing film works combined with plants and comfortable seating to create an experience focused on the wellbeing of the visitor. Alongside Pattern Buffer we opened Facecrime by Jonathan Baldock, which featured a landscape of ceramic columns inspired by an early system of writing and explored clay as a tool of communication. Inspired by Orwell's dystopian novel, 1984, a facecrime is an "unconscious look of anxiety, a habit of muttering to yourself", and his ceramic column characters were complete with expressive faces, emoji symbols and even audible groans, whistles and chuckles.

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While we continue to bring artists with an international profile to Liverpool, this year also saw the launch of an initiative to show and support the work of local artists, with premieres of two films by Kiara Mohamed, Home and The Lives We Lead, and an exhibition by painter Josie Jenkins. We welcomed Andrea Ku as our Gardener in Residence in the Autumn, as part of the Liverpool City Council's Without Walls programme.

Despite the challenges of this year and those that we still face, I believe that Bluecoat will come out of the pandemic in a strong position to play our part in civic society, contributing to the revitalisation of the city centre, supporting the well-being of communities and providing a creative inspiration and outlet to audiences and artists alike. I am immensely proud of the Bluecoat team and how they have not only navigated an extremely difficult environment but moved the organisation forward at the same time. We owe big thank you to everyone that made it possible - all the artists that we've worked with, staff and volunteers. Our studio holders, creative organisations and retailers, Bluecoat's supporters, members and patrons, who have stuck with us throughout this extraordinary year. Our major funders Arts Council England and Liverpool City Council, who have passionately advocated for the arts to central government on our behalf. And most importantly, our visitors, who we can't wait to welcome back.



Peter Mearns
Chair

Directors' Report for the Year Ending 31 March 2021

The directors of the company, who are also the trustees of the charity, are pleased to present their annual report, together with the consolidated financial statements of the charity and its wholly owned subsidiary for the year ending 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Our Purposes and Objectives

Bluecoat is Liverpool's centre for the contemporary arts. We offer a year-round programme of visual art, music, dance, live art and literature that connects to and offers new perspectives on our contemporary world.

Our purpose is to open up possibilities for individuals and communities by:

- supporting diverse artists to develop their practice at all stages of their career, to engage with audiences and to communicate the power and value of art to as broad a spectrum of people as possible;
- helping people find a meaningful place for the arts in their lives, creating safe and inclusive spaces for everyone to engage as audiences and participants;
- preserving, revealing and interpreting the multifaceted story of our historic building, and also the country's first arts centre, making it accessible to a range of audiences through activities, exhibitions, events and digital content in appropriate formats.

Through these we deliver the agreed objectives of the Charity when it was first constituted in 1927, which are to:

- foster and promote the improvement, development and maintenance of artistic knowledge and understanding and appreciation of the arts;
- promote and advance aesthetic education;
- cultivate and improve the public taste in the arts in the United Kingdom, in particular in Merseyside;
- provide facilities for the education of the public in the fields of visual and performing arts.

Directors' Report for the Year Ending 31 March 2021

Annual Review

This is a good opportunity to take stock on our business plan aims from our 2018-22 plan. At the start of the planning process, we established 5 key areas of focus: artist development, our heritage programme, growth in our participation programme, our public visibility and commercial trading.

In addition to these, we have embarked on a series of initiatives at the Bluecoat that will create the right environment for these aims to come to fruition. Following the death of George Floyd and the subsequent focus on the Black Lives Matter movement we are taking decisive action to create a more equitable Bluecoat, both for our workforce and for visitors, and to diversify the sector we work in.

We spent time during lockdown redesigning our main entrance space, or Hub, to create a better and more user-friendly experience for our visitors. In doing this we have realised a long term ambition to bring art out of the gallery and into all spaces at Bluecoat with three new artists commissions.

To complement the new space, we are planning to trial a new Visitor Experience Team over the Summer to ensure visitors receive a warm welcome. A new team will be focused on ensuring an excellent experience for everyone who comes through our doors and will provide a crucial conduit between our communication channels and our audiences.

The needs of the organisation have had to be carefully balanced with the well being of our people, who are working hard to maintain programmes in very difficult circumstances. Although we closed the site completely in the first lockdown, during subsequent closures we kept the building open for our creative community and for staff who struggled with homeworking.

Artist Development

We have made great progress this year in supporting artist development. In Autumn we launched our PIVOT programme in partnership with Castlefield Gallery, focusing support for mid-career artists based in the North West. The successful artists Pat Flynn, Gareth Gratrix, Bridget O'Gorman, Salma Noor and Chester Tenneson are now undertaking an 18-month programme of mentoring, coaching, studio visits and support with individual bursaries of £5,000. This year we provided support for a wide range of individual artists and creatives including letters of support for bids, advice and feedback on applications and nominations for awards and prizes. In January 2021 during the third lockdown we offered help specifically on ACE Develop Your Creative Practice (DYCP) applications, within our creative community and beyond. Over the year, we supported 245 artists in total. In recognition of the work we do to support artists, Jerwood Arts awarded us £15,000 from their 'Commissioning for the Future Fund', which will go towards commissioning early-career artists in 2021.

Our partnership with New Contemporaries goes from strength to strength and they have confirmed the continued support of an alumni studio following the success of Emily Motto's residency in 2020. Liverpool-based painter Gareth Kemp will join us as the next artist in residence this Summer.

No sooner had we opened exhibitions by Frances Disley and Jonathan Baldock, we had to close for the first lockdown. Thankfully, we were able to reopen shows in July and they ran until

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November, albeit with some alterations. During lockdown we made a concerted effort to continue to bring high quality content to people, through a regular newsletter that went to our mailing list. Over 150,000 recipients received Bluecoat newsletters with an above average open rate of 24%.

In light of our commitment to work with and support artists through their careers, we were delighted that a key piece in Frances Disley's show was acquired by the Walker Art Gallery through the Contemporary Art Society. Bluecoat commissioned the piece and will feature in a new temporary display in 2021.

In the Autumn, Andrea Ku joined us as our Gardener in Residence, an initiative supported by Liverpool City Council's Without Walls programme. Hailing from Liverpool 8, Ku is a gardener and highly skilled beekeeper. As part of the programme she developed the highly popular 'bee bags' for children promoting biodiversity and a map of past and present green spaces to celebrate Heritage Open Days. The bee bags were later given out by Homebaked in Anfield with free lunches for children during the school holidays.

Later in the year we hosted Undo Things Done, Sean Edwards' presentation for Wales in Venice 2019. The artist was awarded a Turner Prize bursary along with nine other artists in recognition of this exhibition, curated by Bluecoat's Head of Programme Marie-Anne McQuay. Edwards invited upcoming Welsh artist Sadia Pineda Hameed to show new work alongside the exhibition.

To celebrate the launch of a new publication to accompany the show two online events were held with the invited writers Maria Fusco, Professor of Art at Dundee and Kim McAleese, Programme Director at Grand Union Birmingham who is currently on the Turner Prize Jury 2021. The two events combined drew an online audience of over 200 people.

In December, we launched a new initiative to show more Liverpool based artists in our galleries. The programme debuted with an exhibition by painter Josie Jenkins. In the new year, during the third lockdown we launched Kiara Mohamed's film *The Lives We Lead* online. The programme comes as we renew our focus on showing work from artists living and working in the Liverpool city region, with an emphasis on existing art works made recently that haven't been shown in a public gallery before.

We have worked throughout the year to bring the sculpture Bluecoat Platform by Tom & Simon Bloor to fruition. The work was commissioned as A Here and Now Project led by Future Arts Centres and marks the National Lottery's 25th birthday. The artists worked with children from our Out of the Blue programme to create the sculpture, which will form the stage for our summer family programme.

Heritage

Our heritage programme has picked up great momentum this year, and we have rearticulated this as Cultural legacies. With this strand of programming, we hope to provide new perspectives on Liverpool's past through the history and heritage of our grade I listed building and explore them in relation to the present. It is supported by our collaborative doctoral award student, Michelle Girvan, who recently completed the first draft chapter of her dissertation, which reveals some new and fascinating research into the origins of our building.

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The programme connects Bluecoat's role as custodians of Liverpool's oldest building and its 300 year history with our century long life as an arts centre. The focus on Black Lives Matter (BLM) in 2020 helped bring this into particular focus, as we provided more context on our building's origins in Britain's colonial period and direct links to Liverpool's transatlantic slave trade, including the role of charity school founder, Bryan Blundell.

A fantastic development in our Cultural Legacies programme is Echoes and Origins, a project that interrogates the building's origins and explores how continuing legacies from its original purpose connect to the lives of young people in the city. The project is split into two strands, with the first taking its starting point from the building's connections to the sea, through the Liverpool merchants who supported the school using profits derived from trade with Africa and the British colonies. We are working with young people from the Greenhouse Project in Toxteth to explore themes such as colonialism and the empire, slavery, migration, diaspora, independence, race and identity through discussions, creative activities and research.

The project will culminate in a public programme of talks, performances, displays and other activities devised by the young people, staged at Bluecoat, Greenhouse and online in early 2022. The second part of the project will focus on 'Looked After Children', and will take as its starting point Bluecoat's original philanthropic purpose as an educational institution set up to help the town's poor and destitute children.

Bluecoat's 100 year history as a creative hub was captured in a new publication, Bluecoat, Liverpool: The UK's First Arts Centre. Although we weren't able to launch the book at a live event, we hosted an online discussion event A Dissident View, hosted by Laura Brown and featuring Jon Belchem, Anjalie Dalal-Clayton and Bryan Biggs in conversation.

Public Visibility and Influence

Over the past year we have been able to prioritise our public image and narrative by bringing in specialist marketing and communications knowledge and skills. The two main parts to this were developing a new brand purpose and creating a new online platform that provides an improved shop window and a place to showcase work.

Creating a new brand and visual identity began with a research phase where our brand partners Modern Designers consulted with staff and stakeholders, as well as undertaking a peer review and digital and brand audits. From this we learnt that people were not clear about what Bluecoat did and although we already had a clear purpose, we worked on really honing this so that we could communicate it effectively.

Bluecoat's purpose is: A home for creative potential where art and people meet.
Our purpose is to create new, more meaningful ways to experience art.
For artists and for everyone - we bring art into life.

Leading on from this, we created four brand pillars which cover our priorities as an organisation: Breaking new ground, inspiring curiosity, unlocking creative process and purposefully inclusive. These were underpinned by the communications principle to 'show not tell'. The purpose and brand pillars formed a brief to the creative team for a flexible, creative and expressive visual identity launching in May 2021.

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The pandemic brought to the fore the importance of a high quality digital platform, not only as a way to present Bluecoat to current and potential visitors but as a way to develop new audiences for online content and artist's work. We have spent the last year developing a new website, which reflects our visual identity and provides an easy to navigate experience. In addition, we have decided to move content from mybluecoat.org.uk across to the main site so that we house all of our content in one place.

Our social media presence has been revitalised by the tools the new brand has provided, such as visual assets and textures, image guidance and a new tone of voice, and with a more strategic and personalised approach to content. We were delighted to secure almost £200k from the Weston Culture Fund to help us increase our programming for local audiences and transform our approach to presenting work online.

Commercial Trading

This year has been very difficult for the trading company as we haven't been able to operate for the majority of the year. However, a key part of the capital scheme was to reconfigure Bluecoat's well loved cafe to create a more welcoming, attractive and user friendly space. A social investment loan from First Ark enabled us to purchase new equipment so we can provide a modern, efficient service to visitors.

We are grateful to the Arts Council for their tireless advocacy for the arts and to DCMS for recognising the important role of culture in the UK's recovery and providing the Culture Recovery Fund. We were lucky to receive grants from a series of ACE/DCMS funds including the NPO Emergency Fund, the Culture Recovery Fund and ACE's Cultural Capital Kickstart Fund.

Participation

Despite the challenges of Covid-19, our Participation work continued to thrive and we were able to connect digitally with many of our participants. We delivered over 7000 arts experiences, in line with our figure for 2019/20, although much of the engagement was more condensed than under normal circumstances.

Just before the full lockdown was imposed, Blue Room delivery staff quickly created and distributed 12 weeks' worth of arts activity worksheets and materials to all members. Staff then supported members creatively by making and sharing short films to explain the activities and pastorally through regular phone calls. Blue Room soon moved into full digital delivery, facilitated by vital support from Arts Council England's Emergency Grant which enabled us to purchase equipment and wifi/data for members who had no access at home. Before long we were delivering four creative "Blue Zooms" each week, and a regular newsletter which proved very popular with members and their support. Most members remained engaged with the programme throughout, in no small part as a result of the tenacity and flexibility of our team.

The care home sector was particularly hard hit at the start of the pandemic so initially our residency programme with partners Belong was completely suspended. In October 2020 we launched Belong at Home, a three phase programme taking digital artist residencies into people's own homes. With input and support from care staff we were able to facilitate remote creative relationships between older people in the Wigan area and our residency artists Alan Dunn, Brigitte Jurack, Roger Hill and Mary Prestidge. In addition, we helped to combat

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loneliness through a series of group workshop programmes in Belong Villages from February 2021 onwards. These were delivered digitally by the same artists and brought groups of residents together in creative endeavour for up to 6 weekly sessions.

Our Children and Families programme also turned to digital delivery with Bluecoat's facilitation staff devising and producing their own short films introducing activities people could do at home. These were shared with families from our Out of the Blue (OOTB) programme and distributed to our audiences through e-shots and social media. We also sent out art packs to OOTB members with activities and materials. In October 2020 we had a brief return to direct delivery of art clubs in two of our OOTB schools before a second lockdown hit and clubs would not restart until after Easter 2021.

Volunteering

We suspended our volunteering programme during Covid, to protect the safety of volunteers and visitors. We look forward to welcoming back volunteers in 2022.

Fundraising Approach

Fundraising strategy is determined by the Bluecoat's Directors. The Development team supports the fundraising function across the organisation and raises income from the public sector, trusts and foundations, corporates and individuals, including major donors, crowdfunding, donation boxes, legacies and Bluecoat's Patrons' and a membership scheme.

Bluecoat ensures compliance with the Code of Fundraising Practice, closely monitoring any changes and developments, and we follow the new General Data Protection Regulations and the Data Protection Act. We do not make unreasonably persistent approaches for donations and never put pressure on anyone to donate to Bluecoat. We record contact we have had with individuals so that we can assess this before making further contact, thereby ensuring there is no intrusion on a person's privacy.

If we have perceived that a person may be vulnerable, we do not approach them for any fundraising activities. We use a sensitive and common-sense approach to fundraising, treating our donors fairly and making sure they can make informed decisions about donations. In addition, neither Bluecoat, nor anyone acting on our behalf, has received any complaints regarding fundraising.

Public Benefit

The Directors are mindful of their particular responsibilities as outlined in Guidance Note *Charities and Public Benefit (2009)*. Bluecoat seeks to discharge its charitable objectives by:

- supporting diverse artists to develop their practice at all stages of their career, to engage with audiences and to communicate the power and value of art to as broad a spectrum of people as possible
- helping people find a meaningful place for the arts in their lives, creating safe and inclusive spaces for everyone to engage as audiences and participants
- preserving, revealing and interpreting the multifaceted story of our historic building, and also the country's first arts centre, making it accessible to a range of audiences through activities, exhibitions, events and digital content in appropriate formats.

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Despite curtailed opening due to Covid 19 restrictions, the Directors consider that the charitable objectives have been discharged through the following activities:

- Free entry exhibitions in the building attracted an attendance of 5390 visitors.
- 8681 people clicked through to enjoy digital arts content we curated or attended digital arts events we organised.
- Free access to the building when we were able to open resulted in 6784 visits.
- Through our participation programme for targeted groups, we provided 7022 direct digital arts experiences, mostly through zoom workshops.
- We offered support and advice on 245 occasions to artists at various stages of their careers without charge.

Strategic Report

Financial Review

The consolidated financial results for the year are set out on pages 20 to 43 for Bluecoat and its wholly owned subsidiary, Trading at the Bluecoat Ltd. The group had net expenditure of £31,776 (2020: £366,718), after charging depreciation and amortisation of £303,674 (2020: £252,653).

Trading at the Bluecoat Ltd operates the espresso café, the bistro, events, conferencing and catering facilities and the profits generated are distributed to the charity under gift aid to assist the charity in meeting its objectives. The venture generated a loss for the year of £19,288 (2020: profit of £2,229).

Reserves and Investment Policy

Bluecoat understands the need for unrestricted reserves to cover downturns in both earned income and public funding. The Directors have agreed that the reserves level should aim to cover at least three months' operating expenditure, this being approximately £500,000. At 31 March 2021, the group had unrestricted general reserves totalling £449,031 (2020: £178,458).

The Directors review the Reserves Policy on an annual basis. They recognise that growth in reserves will only arise from having a more sustainable business that is attractive to investment. To this end, the Directors have made plans and taken action to improve the reserves position, including:

- reducing the operating cost base through the review and renegotiation of supplier contracts, and through reduction in staffing levels
- increasing earned income generation through the bringing in of skilled new board members on to the subsidiary trading company's board, the development of a commercial strategy that will maximise the earnings potential from all areas of the building, and the implementation of this strategy
- increasing grant income generation through a focused fundraising and development strategy supported by additional management focus on this area
- creating operating efficiencies in how the building is used through the forthcoming grant-funded capital investment into the central areas of the building

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The Directors have reviewed a broad range of evidence, including budgetary projections for a period of at least one year from the approval of these financial statements in order to confirm the going concern principle for the organisation. More detail on this matter is included in note 1 to these financial statements.

The charity's investment in the subsidiary company is valued at cost less provision for any permanent diminution in value. The charity has no other investments, and surplus cash is held in bank accounts.

Appointment of Directors

As set out in the governing document the Board has a minimum of four Directors and a maximum of twenty. Membership of the Board is open to anyone who has an interest in the objects of the company and are elected by the members.

The Board has the power to co-opt members considered to have specialist skills or knowledge that will be beneficial to the company, providing the number of co-opted members does not exceed a third of the membership of the Board. Co-opted members serve on the Board for a period determined by the Board, not to exceed five years. Currently there are no co-opted members.

Directors' Induction and Training

Board members on appointment receive a full induction and there are also away-days each year, where the Board and senior staff review the direction and effectiveness of the organisation. These are augmented by courses and other board development interventions as appropriate. The term of office of Directors is four years. Suitable indemnity insurance is in place.

Organisation and Governance and Management Structures

The Board of Directors is responsible for the definition of policy and general oversight of all the functions and activities of the Company. The board delegates additional scrutiny and policy development to its committees. These consist of the Finance and General Purposes Committee, the Artistic Advisory Committee, the Board Development Committee, and the Safeguarding Committee. In addition, the charity's subsidiary company Trading at the Bluecoat Ltd has its own board of directors. The strategic and operational leadership and management responsibility is delegated to the Chief Executive.

Related Parties and Co-Operation with Other Organisations

Any connection between a Director or senior manager of the charity with a production company, contracted artist, performer, exhibitor or supplier must be disclosed to the full board of Directors in the same way as any other contractual relationship with a related party. In the current year, related party transactions are set out in note 22 to the accounts.

The charity's wholly owned subsidiary, Trading at The Bluecoat Ltd., operates the café, bistro, event and conferencing facilities at Bluecoat.

Pay Policy for Key Management Personnel

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None of the board Directors receive remuneration or other benefit from their work with the charity.

The remuneration of key management personnel is determined by the board Directors of the charity. They consider the seniority of the post, the expertise and experience of the post holder, the local market conditions and sector market conditions for remuneration, and benchmarking information from similar organisations in determining the remuneration of key management personnel.

Risk Management

The major risks to which Bluecoat is exposed, as identified in the risk register, have been reviewed and mitigations and contingency plans put in place to manage these risks. The risk register is monitored and updated on an ongoing basis and reported to the Finance & General Purposes Committee of the Board at least twice a year.

The directors consider the key risks and uncertainties facing the charity are:

- Pandemic Planning is insufficient, leading to lack of public confidence that the building is safe, an increased risk of infection, and the risk of closure by public health authorities.

This is mitigated by the active management of the situation by the senior team, led by the Head of Projects, implementation of safety measures throughout the building, communications with public and building users through newsletters and social media, and through close liaison with the city council and other city centre partners.

- The Building is not sufficient to support strategy through lack of investment in day to day repairs and maintenance, and the conservation of the historic building is compromised.

This is mitigated by repairs and maintenance plan in place; Capital investment plan (balanced against cash constraints) in place; Capital grant funding bids.

- Insufficient reserves resulting in inability to invest in future capital needs or respond to unforeseen circumstances. This is mitigated by future operating surplus budgets planned; margin identified and sought on all projects; Reserves Policy in place and strategy to achieve this; regular Finance Committee monitoring.

Plans for the future

Looking forward to the new financial year we're poised to reopen our doors to the public and can't wait to invite visitors in to see the new look Hub and the art works specifically commissioned for the space. London-based Babak Ganjei's witty observations on the art world have been applied to tiles that wrap around our new information desk, Liverpool-based Sumuyya Khader has created a bespoke tile design that references our popular garden, and Cambridge-based Harold Offeh has created an area specifically for children and families.

When we open, our galleries will play host to Liverpool Biennial and our courtyard will be home to Bluecoat Platform, a sculpture by artists Simon & Tom Bloor, which has been developed with

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children from Out of the Blue, our after school art club. We will be welcoming families with a summer of fun as we present a programme developed in partnership with local school children.

Alongside the Biennial, we are pleased to welcome back Bluecoat alumni artist, Tony Phillips who grew up in Liverpool 8 and returns to the city with his Twentieth Century Chapel project which celebrates two local institutions, Bluecoat and St. Luke's Church - the 'Bombed Out Church'. The project focuses on the nature of technological progress embodied by our age-old aspiration to fly, starting with an image of the first powered flight in 1903, and proceeding through the decades into the modern era of supersonic jet fighters and drones.

In the Autumn, we host exhibitions by three prominent female artists (16 October - 23 January 2022). Rosa-Johan Uddoh (b. Croydon, 1993) is an interdisciplinary artist inspired by Black feminist practice and writing. Through performance, ceramics and sound, she explores places, objects and celebrities in British popular culture, and the effects of these on self-formation. She was previously resident artist at Liverpool School of Art & Design, Liverpool John Moores University and returns to the city with a major new installation, commissioned by Focal Point Gallery in partnership with the Bluecoat.

This will be shown alongside the first UK solo show by American artist Deborah Roberts (b. Austin, Texas, 1962). She uses collage to reflect the challenges encountered by young Black children as they strive to build their identity, addressing preconceived social constructs perpetuated by the Black community, the white gaze and visual culture at large. Combining a range of different facial features, skin tones, hairstyles and clothes, Roberts explains that with collage she can 'create a more expansive and inclusive view of the black cultural experience'.

At the same time we will be presenting work by Sumuyya Khader, an artist we have worked with before when she exhibited in Bluecoat's 2017 group exhibition, In the Peaceful Dome. She was commissioned to produce a set of one-off posters for a series of exhibitions at Bluecoat in the winter of 2019, and organised an exhibition of Black artists from Liverpool on the exterior of our building in 2020. Khader recently set up Granby Press, a community-based organisation with a focus on printed material and design.

In March 2022, we present new work by London-based artist Suki Chan. CONSCIOUS is a multi-platform project bringing together the diverse perspectives of scientists and ordinary people whose stories unwrap layers of thinking and preconceptions about individual and collective consciousness. Comprising films, moving image installations and a VR experience, the exhibition explores the nuances of consciousness in a technological age. The work includes documentary testimonies from people living with dementia, neuroscientists, computer scientists, pilots, historians and beekeepers, along with soundtracks composed by award winning TV and film composer Dominik Scherrer.

Chan's research includes collaborations with individuals experiencing early stage dementia: Pegeen O'Sullivan, the daughter of Irish novelist, Liam O'Flaherty, who currently lives in a care village in North West England, and Wendy Mitchell, who wrote her first book after being diagnosed with young-onset dementia at the age of 58. Part of Chan's research took place in a Belong Village in Crewe, part-funded by Arts Council England and the Baring Foundation through Celebrating Age, alongside commissions with Liverpool City Region artists Alan Dunn, Roger Hill, Philip Jeck, Brigitte Jurack and Mary Prestidge.

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In addition to our exhibition programme, we will be presenting performances by dance artists Janine Harrington, Zinzi Minott and Freestylers as part of the Siobhan Davies Dance and Baltic Continuous Network in 2022.

A new Cultural Legacies programme focuses on three themed exhibitions in the Vide space starting in September, each accompanied by a digital commission, a discursive event and a new archive collection. The first, A Creative Community, will reveal Bluecoat's rich heritage of artists' studios and the 'extended family' of artists we work with, reflecting the building as a place that unlocks creativity. The second looks at Bluecoat's civic role in the city, including how we extend artistic work out into the public realm and engage with communities. The third, in early 2022, focuses on our building's colonial legacies and their contemporary resonances.

A new participation project, Echoes and Origins, funded by National Lottery Heritage Fund, will engage children, young people and adults whose lived experiences intersect with Bluecoat's eighteenth-century narrative as a charity school for orphans, funded from maritime trade. This will explore themes of slavery, migration, diaspora, cultural identity, childhood and independence through a historical lens, using creative activities and research into the Bluecoat building's origins.

Two complementary strands will explore contradictions between philanthropy and exploitation. Working with young volunteers from diverse backgrounds at Greenhouse Project in Toxteth, Colonial Legacies will look at our archive and how diverse artists over 35 years have responded to Bluecoat's historical connections to Liverpool as 'gateway of Empire'. Looked After Children will involve artists, including dance artist Paula Hampson who will lead activities with looked after children - current and past - drawing on material relating to the school to explore their experiences. Both strands will culminate in a public programme in 2022.

Directors' Responsibilities in Relation to the Financial Statements

The Directors (who are also trustees of the charity) are responsible for preparing a Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the income or expenditure of the charitable group for the year. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent, whilst ensuring that applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for

Directors' Report for the Year Ending 31 March 2021

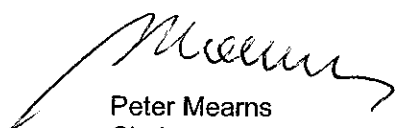
safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Information Provided to Auditors

In respect of each Director at the date the Directors' Report is signed:

- so far as we are aware, there is no information needed by the Charity's auditors in connection with preparing their report (relevant audit information) of which they are unaware; and
- as the Trustees of the Charity we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the Board



Peter Mearns
Chair

6 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUECOAT FOR THE YEAR ENDED 31 March 2021

Opinion

We have audited the accounts of The Bluecoat (the 'Parent Charity') and its subsidiary (the "Group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent charitable company Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the accounts, including a summary of 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 Group's and Parent Charity's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the 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 BLUECOAT
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
BLUECOAT FOR THE YEAR ENDED 31 March 2021 (continued)**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the Parent Charity for the purpose of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the Group's and the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUECOAT FOR THE YEAR ENDED 31 March 2021 (continued)

Extent to which the audit has considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence, and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

THE BLUECOAT
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
BLUECOAT FOR THE YEAR ENDED 31 March 2021 (continued)**

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BWM

Peter Taaffe FCA CTA DChA (Senior Statutory Auditor)
For and on behalf of BWM
Chartered Accountants
Statutory Auditor
Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

Date: 17/12/2021

THE BLUECOAT
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 March 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2020/21 £	Total Funds 2019/20 £
Income					
Other trading activities	3	282,550	0	282,550	808,316
Donations and legacies	4	2,604	0	2,604	8,463
Income from charitable activities	5	1,372,189	143,738	1,515,928	967,744
Total		1,657,344	143,738	1,801,082	1,784,523
Expenditure					
Expenditure on raising funds	6	522,895	0	522,895	932,973
Expenditure on charitable activities	7	863,876	446,087	1,309,963	1,218,268
Total		1,386,771	446,087	1,832,858	2,151,241
Net incoming/(outgoing) resources for the year and net movement in funds		270,573	(302,349)	(31,776)	(366,718)
Balance b/f		178,458	8,933,999	9,112,457	9,479,174
Balance c/f		449,031	8,631,650	9,080,681	9,112,456

There are no recognised gains and losses in 2021 or 2020 other than the result for the year.

All income and expenditure derive from continuing activities.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

THE BLUECOAT
(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET
AS AT 31 March 2021**

Company number: 02246627

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible Fixed Assets	11	34,226	0
Tangible assets	12	9,444,660	9,383,391
		<u>9,478,886</u>	<u>9,383,391</u>
CURRENT ASSETS			
Stock	14	1,943	5,015
Debtors	15	247,202	158,743
Cash at bank and in hand		325,073	127,343
		<u>574,218</u>	<u>291,100</u>
CREDITORS: Due within one year	16	(731,074)	(469,572)
Net Current Liabilities		<u>(156,856)</u>	<u>(178,472)</u>
Total Assets less Current Liabilities		<u>9,322,030</u>	<u>9,204,919</u>
CREDITORS: Due after one year	17	(241,349)	(92,462)
Total Net Assets		<u>9,080,681</u>	<u>9,112,457</u>
Funds of the Charity Group			
Unrestricted Funds - General Reserve	20	449,031	178,458
Restricted Reserve	19	8,631,650	8,933,999
Total Funds		<u>9,080,681</u>	<u>9,112,457</u>

The financial statements on pages 25 to 45 were approved and authorised for issue by the Board of Directors on *6th December 2021*.

Signed on behalf of the Board of Directors


P Mearns
Director

THE BLUECOAT
(A company limited by guarantee)

**CHARITABLE COMPANY BALANCE SHEET
AS AT 31 March 2021**


Company number: 02246627

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	11	34,226	0
Tangible assets	12	9,440,004	9,376,879
Investments	13	1	1
		<u>9,474,231</u>	<u>9,376,880</u>
CURRENT ASSETS			
Debtors	15	250,983	150,640
Cash at bank and in hand		310,392	123,966
		<u>561,375</u>	<u>274,606</u>
CREDITORS: Due within one year	16	(709,537)	(461,816)
Net Current Liabilities		<u>(148,162)</u>	<u>(187,210)</u>
Total Assets less Current Liabilities		<u>9,326,069</u>	<u>9,189,670</u>
CREDITORS: Due after one year	17	(241,349)	(92,462)
Total Net Assets		<u>9,084,720</u>	<u>9,097,208</u>
Funds of the Charity			
General Reserve	20	453,070	163,210
Restricted Reserve	19	8,631,650	8,933,999
Total Funds		<u>9,084,720</u>	<u>9,097,208</u>

The Trustees have taken advantage of Section 408 of Companies Act 2006 from the requirement to prepare a separate Statement of Financial Activities for the charity. The net expenditure dealt with in the financial statements of the charity is £12,488 (2020: £368,946).

The financial statements on pages 25 to 45 were approved and authorised for issue by the Board of Directors on *6th December 2021*.

Signed on behalf of the Board of Directors


P Mearns
Director

THE BLUECOAT
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 March 2021**

	2021 £	2020 £
Cash flows from operating activities:		
Net expenditure for the year (per the statement of financial activities)	(31,776)	(366,718)
Adjusted for:		
Depreciation	303,673	252,653
Taxation paid	0	0
Decrease / (increase) in stock	3,072	2,557
Decrease / (increase) in trade and other receivables	(90,890)	(5,625)
Increase in trade and other payables	192,352	221,711
Net cash inflow (outflow) from operating activities	376,431	104,578
Cash flows from investing activities		
Purchase of property, plant & equipment	(399,170)	(50,580)
Cash used in investing activities	(399,170)	(50,580)
Cash flows from financing activities		
Repayment of borrowing	(30,805)	(12,500)
Capital Grants Received	251,274	37,452
Net cash flows used in financing activities	220,469	24,952
Net increase/(decrease) in cash & cash equivalents	197,730	78,950
Opening cash & cash equivalents	127,343	48,393
Closing cash & cash equivalents	325,073	127,343
Movement in cash and cash equivalents	197,730	78,950

THE BLUECOAT
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021**

1 ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the 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 (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), and the Companies Act 2006. These financial statements have been presented in pound sterling, which is the functional currency of the company, and rounded to the nearest £.

The Bluecoat meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

General Information

The Bluecoat is a company limited by guarantee and a registered charity. The Bluecoat is incorporated in the United Kingdom. The registered office is The Bluecoat, School Lane, Liverpool, L1 3BX.

Group Financial Statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Trading at the Bluecoat Limited, on a line-by-line basis.

Principal Activity

Bluecoat is Liverpool's centre for the contemporary arts. Our purpose is to open up creative possibilities for individuals and communities. We do this through a programme of exhibitions, live art and participation projects; through support to artists; by opening up our 18th century building to makers, traders and visitors; and by creating connections between Liverpool and the rest of the world.

Going Concern

The financial statements have been prepared on a going concern basis. Whilst the Bluecoat has been significantly impacted by Covid-19, causing trading and earned income to noticeably reduce, we have been able to successfully navigate through the economic disruption. We have done this through the careful management of costs, obtaining funding commitments from core funders, together with achieving additional fundraising and careful cash flow management.

Costs have been reduced through the implementation of a staff restructure and minimising building running costs during periods of closure. We were strongly supported by our core funders, Arts Council England and Liverpool City Council, whose early release of funding for 2020/21 has supported our cash flow. During 2020/21 we have achieved £124,568 of ACE Emergency Fund grant and £224,996 of Cultural Recovery Fund Round 1 grant. Whilst some of these grants are to alleviate the immediate impact of Covid-19, some of these grants have been invested in IT equipment and new ways of working that will improve our efficiency and effectiveness of delivery going forward. Also during 2020/21 we have received £147,000 of grant and social investment from Livv Investment (formerly known as First Ark Social Investment).

At the same time we have capital grant commitments of £450,000 from Arts Council England, £105,000 from Liverpool City Council and £72,565 from ESIF which is allowing us to actively invest in our facilities, to improve the visitor experience, to increase our commercial trading opportunities and to reduce our building running costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021**

1 ACCOUNTING POLICIES (continued)

The directors remain committed to maintaining annual spending within available resources and increasing general reserves and are fully aware that the economic outlook remains challenging for The Bluecoat and its principal funders - Arts Council England and Liverpool City Council. Both funders have given The Bluecoat commitments of continuing levels of funding that enable The Bluecoat to plan and budget from a firm financial base, and Bluecoat's directors are committed to continue to work with funders to develop plans to improve the charity's financial resilience over the immediate period and in the medium to long term.

The trustees have considered the level of funds held and the expected level of income and expenditure for the twelve months from authorising these financial statements. The trustees assess the charity to be a going concern based on review of financial performance of the 2021/22 year to date, the management accounts forecast for the remainder of 2021/22, the 18 month rolling cash flow forecast, funding commitments from Arts Council England and Liverpool City Council, and longer-term plans and forecasts for 2022 and beyond. As a result, the trustees are confident about the financial future of the charity and satisfied that these accounts are prepared on a going concern basis.

Taxation

The organisation is a registered charity and as such is exempt from taxation on its charitable activities. The charity has taken the opportunity to seek a corporation tax credit under the museums and galleries tax relief scheme.

Government grants

Revenue grants are credited as income when they are receivable, provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred. Grants for the purchase of fixed assets are credited to income when receivable.

Income

Income, including from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received in advance of performance or provision of other specified service is deferred until the criteria for income recognition are met. Room hire, rent and other income are recognised on an accruals basis.

The charity has not been the beneficiary of any legacies during the year.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the directors' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021**

1 ACCOUNTING POLICIES (continued)

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for specific areas of the charity's work or for specific artistic projects being undertaken by the charity.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the bar and bistro and their associated support costs.
- Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Governance costs included in expenditure on charitable activities include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs are apportioned to activity cost categories directly on a basis consistent with the use of resources, for example, staff costs by time.
- Other expenditure represents those items not falling into any other heading.

Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated is set out in note 9.

Fixed assets and depreciation

All fixed assets are stated at cost less accumulated depreciation. All items over £500 are capitalised.

Depreciation of fixed assets is calculated to write-off their cost less any residual value over their estimated useful lives on a straight-line basis as follows:

Freehold Property	2.0%
Computers and Related Equipment	33.3%
Furniture and Fixtures	20.0% - 25.0%
Other Equipment	12.5% - 25.0%
Property Improvements	10%

THE BLUECOAT
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021**

1 ACCOUNTING POLICIES (continued)

Intangible fixed assets, which consist of brand and website collateral, are stated at cost (or deemed cost) or valuation less accumulated amortisation over an economic life of 4 years unless there are any impairment losses to be recognised.

Stock

Purchased stock is included at the lower of cost or net realisable value.

Donated artworks which have been received by the charity for future sale have not been recognised as stock in the accounts. This is because the charity is unable to determine with any certainty the timing or value of any potential sale of the donated artworks.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Concessionary loans are measured at amortised cost.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Reserves

The charity has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are classified as unrestricted funds. Unrestricted reserves, if designated for a specific purpose or period, are accounted for as designated unrestricted reserves.

Operating lease agreements

Rentals paid under operating leases are charged in the Statement of Financial Activities as they are incurred.

Pension contributions

The charity has a defined contribution pension scheme. Contributions are charged in the Statement of Financial Activities as they become payable in accordance with the scheme rules.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021**

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities at the balance sheet date and income and expenditure during the year. The judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved, the actual results and outcomes could differ from the estimates.

In the process of applying the charity's accounting policies, the directors believe that the critical judgements or estimates that have the most significant effect on the amounts recognised in the financial statements are as follows:

- *Assessing any indicators of impairment in relation to assets.* The directors have considered both external and internal sources of information such as market conditions and experience of recoverability. There have been no indicators of impairments identified during the current financial year.
- *Recoverability of debtors.* The charity establishes a provision for debtors that are estimated not to be recoverable. To assess recoverability the directors consider factors such as the ageing of the debtors and past experience of recoverability.
- *Determining residual values and useful economic lives of property, plant and equipment* - The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives is based on historic performance as well as expectations about future use. The actual lives of these assets can vary depending on a variety of factors, including technological innovation and maintenance programmes. Judgement is applied by management when determining the residual values for plant and equipment. When determining the residual value management aim to assess the amount that the charity would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible, this is done with reference to external market prices.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions are recognised in the period in which the estimate is revised.

THE BLUECOAT
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021**

3 OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Rent of offices and studios	206,433	0	206,433	285,914
Events and room hire	1,770	0	1,770	200,318
Government Grants	58,064	0	58,064	0
Catering outlet income	16,000	0	16,000	316,449
Box office & Merchandise	285	0	285	5,635
	282,550	0	282,550	808,316

OTHER TRADING ACTIVITIES (PRIOR YEAR)

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Rent of offices and studios	285,914	0	285,914	281,722
Events and room hire	200,318	0	200,318	211,125
Catering outlet income	316,449	0	316,449	306,233
Box office & Merchandise	5,635	0	5,635	7,754
	808,316	0	808,316	806,834

4 DONATION AND GIFTS INCOME

This represents income from fundraising events and other donations received.

5 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Revenue Grants				
Arts Council England	495,846	0	495,846	486,887
Liverpool City Council	150,000	0	150,000	197,000
Project Grants				
Arts	21,000	22,850	43,850	36,941
Participation	78,666	31,533	110,200	162,961
Investment Readiness	0	0	0	13,487
Inhabit	0	0	0	2,847
Other Income				
Covid Recovery Grants	610,264	0	610,264	0
Capital Grant Release	0	49,355	49,355	3,745
Print Room	0	0	0	16,701
Museums & Galleries Tax Relief	12,500	0	12,500	30,005
Other	3,913	40,000	43,913	17,170
	1,372,189	143,738	1,515,928	967,744

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FOR THE YEAR ENDED 31 March 2021**

INCOME FROM CHARITABLE ACTIVITIES (PRIOR YEAR)

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Revenue Grants				
Arts Council England	486,887	0	486,887	486,887
Liverpool City Council	197,000	0	197,000	197,000
Project Grants				
Arts	6,979	29,962	36,941	165,504
Participation	120,959	42,002	162,961	127,399
My Bluecoat	0	0	00-	47,237
Investment Readiness	0	13,487	13,487	0
Inhabit	2,847	0	2,847	6,808
Other Income				
Capital Grant Release	-	3,745	3,745	0
Print Room	16,701	0	16,701	20,982
Museums & Galleries Tax Relief	30,005	0	30,005	28,830
Other	17,170	0	17,170	14,552
	878,548	89,196	967,744	1,095,198

6 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Advertising and marketing expenses	64,504	0	64,504	77,196
Building running costs	130,870	0	130,870	216,721
Support costs (See note 9)	183,653	0	183,653	131,524
Fundraising and Development	48,606	0	48,606	68,643
Commercial Operations	95,262	0	95,262	438,889
	522,895	0	522,895	932,973

EXPENDITURE ON RAISING FUNDS (PRIOR YEAR)

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Advertising and marketing expenses	77,196	0	77,196	84,660
Building running costs	216,721	0	216,721	229,396
Support costs (See note 9)	131,524	0	131,524	138,913
Direct development and fundraising	68,643	0	68,643	67,883
Trading subsidiary costs	438,889	0	438,889	405,021
	932,973	0	932,973	925,873

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FOR THE YEAR ENDED 31 March 2021**

7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Arts Programme	224,954	63,567	288,521	329,583
Participation	107,783	40,703	148,486	169,522
Inhabit	0	0	0	2,446
Support costs (See note 9)	515,629	341,817	857,446	695,283
Governance costs	15,510	0	15,510	21,434
	863,876	446,087	1,309,963	1,218,268

EXPENDITURE ON CHARITABLE ACTIVITIES (PRIOR YEAR)

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Arts Programme	252,231	77,352	329,583	339,835
Participation	128,031	41,491	169,522	159,304
Inhabit	2,446	0	2,446	48,548
Support costs (See note 9)	431,216	264,067	695,283	677,667
Governance costs	21,434	0	21,434	27,971
	835,358	382,910	1,218,268	1,253,324

The charitable expenditure on charitable activities includes staff costs directly attributed to the named activities above in addition to the support costs noted.

8 AUDITOR'S REMUNERATION

The Group incurred the following charges from auditors:

	2021 £	2020 £
Auditor's fee	9,545	9,270
Other services	680	660
	10,225	9,930

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**NOTES TO THE FINANCIAL STATEMENTS
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9 SUPPORT COSTS

Cost area	Costs of raising funds £	Charitable activities £	Governance £	Total 2021 £	Total 2020 £
Professional fees	24,192	84,673	1,100	109,965	68,182
Wages and salaries	126,217	441,759	5,737	573,713	464,081
Telephone and stationery	954	3,339	43	4,336	3,590
Staff expenses & sundries	503	1,762	23	2,289	9,154
Bank charges	454	1,589	21	2,064	3,727
Recruitment & training	578	2,024	26	2,628	368
Depreciation	0	301,817	0	301,817	250,580
ICT Support	3,322	11,628	151	15,102	13,008
Loan Interest	3,720	0	0	3,720	0
Volunteer expenses	0	0	0	0	4,765
Materials & Equipment	1,004	3,513	46	4,563	5,210
Bad debt	21,182	0	0	21,182	5,827
Subscriptions and sundry	1,526	5,342	69	6,938	4,028
Audit fees	0	0	7,905	7,905	7,903
Board expenses	0	0	389	389	7,818
	183,653	857,446	15,510	1,056,609	848,241

SUPPORT COSTS (PRIOR YEAR)

Cost area	Costs of raising funds £	Charitable activities £	Governance £	Total 2020 £	Total 2019 £
Professional fees	15,000	52,500	682	68,182	38,429
Wages and salaries	102,098	357,343	4,640	464,081	475,045
Telephone and stationery	790	2,764	36	3,590	4,565
Staff expenses & sundries	2,014	7,048	92	9,154	7,096
Bank charges	820	2,870	37	3,727	2,659
Recruitment & training	81	283	4	368	1,529
Depreciation	0	250,580	0	250,580	246,267
ICT Support	2,862	10,016	130	13,008	17,588
Volunteer expenses	0	4,765	0	4,765	5,524
Non-Recoverable VAT	0	0	0	0	4,067
Materials & Equipment	1,146	4,012	52	5,210	2,006
Bad debt	5,827	0	0	5,827	17,234
Subscriptions and sundry	886	3,102	40	4,028	102
Audit fees	0	0	7,903	7,903	13,350
Board expenses	0	0	7,818	7,818	9,090
	131,524	695,283	21,434	848,241	844,550

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Support costs are apportioned to activity cost categories directly on a basis consistent with the use of resources, for example, staff costs by time. Governance support costs relate to staff time on governance matters as well as expenses incurred by governance matters.

10 SALARIES AND WAGES

	Average number of employees	
	2021 No.	2020 No.
Group		
Management, Development & Administration	12	13
Arts Programme	7	8
My Bluecoat	0	1
Technicians	15	11
Engagement	25	29
Trading Company	6	7
	65	58
	2021 £	2020 £
Group		
Wages and salaries	976,761	1,009,731
Social security costs	59,440	66,937
Pension costs	19,723	23,259
	1,055,924	1,099,927

Salary costs includes severance and redundancy payments of £73,913 (2020: £nil) and seconded staff of £24,730 (2020: £nil).

The company has a defined contribution pension scheme. Contributions are charged in the Statement of Financial Activities as they become payable in accordance with the scheme rules.

There were no employees earning a salary in excess of £60,000 in either year.

No trustees received remuneration in 2021 or 2020. During the year one director (2020 – three) was reimbursed for travel expenses totalling £77 (2020 - £4,551).

The key management personnel of the parent company, The Bluecoat, comprises the directors, who are also the trustees of the charity, and the leadership team. The key management personnel of the group, and the employee benefits, are identified as the same as for the Charity.

During the year the leadership team comprised the Chief Executive, the Artistic Director, the Head of Engagement, the Head of Programme, the Head of Projects and the Head of Development. The total employee benefits of the leadership team were £265,641 (2020: £268,558).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021**

11 INTANGIBLE FIXED ASSETS

Group and Company	Branding and Website £
Cost	
At 1 April 2020	0
Additions	45,635
At 31 March 2021	45,635
Depreciation	
At 1 April 2020	0
Charge for year	11,409
At 31 March 2021	11,409
Net book value	
At 31 March 2021	34,226
At 1 April 2020	0

12 TANGIBLE FIXED ASSETS

Group	Freehold Property £	Property Improvements £	Computer & Equipment £	Other Equipment £	Furniture & Fixtures £	Total £
Cost						
At 1 April 2020	12,284,205	44,950	161,521	383,412	442,385	13,316,473
Additions	0	333,873	17,598	0	2,064	353,535
At 31 March 2021	12,284,205	378,823	179,119	383,412	444,449	13,670,008
Depreciation						
At 1 April 2020	2,948,209	4,495	161,521	377,922	440,935	3,933,082
Charge for year	245,684	37,260	5,866	834	2,621	292,265
At 31 March 2021	3,193,893	41,755	167,387	378,756	443,556	4,225,348
Net book value						
At 31 March 2021	9,090,312	337,068	11,732	4,656	892	9,444,660
At 1 April 2020	9,335,996	40,455	0	5,490	1,450	9,383,391

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**NOTES TO THE FINANCIAL STATEMENTS
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12 TANGIBLE FIXED ASSETS (continued)

Company	Freehold Property	Property Improve- ments	Computer & Equipment	Other Equipment	Furniture & Fixtures	Total
	£	£	£	£	£	£
Cost						
At 1 April 2020	12,284,205	44,950	161,521	376,743	435,569	13,302,988
Additions	0	333,873	17,598	0	2,064	353,535
At 31 March 2021	12,284,205	378,823	179,119	376,743	437,633	13,656,523
Depreciation						
At 1 April 2020	2,948,209	4,495	161,521	376,743	435,142	3,926,109
Charge for year	245,684	37,260	5,866	0	1,599	290,408
At 31 March 2021	3,193,893	41,755	167,387	376,743	436,741	4,216,519
Net book value						
At 31 March 2021	9,090,312	337,068	11,732	0	892	9,440,004
At 1 April 2020	9,335,996	40,455	0	0	428	9,376,879

The freehold property and other assets are included at cost. The net book value of freehold property at 31 March 2021 is £9,090,312.

The Arts Council of England, the National Heritage Memorial Fund and Barclays Bank plc hold charges over the property.

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13 INVESTMENTS

	Group £	Company £
Cost		
As at 31 March 2020	0	1
As at 31 March 2021	<u>0</u>	<u>1</u>

The investment relates to 100% of the ordinary share capital owned by The Bluecoat in the subsidiary, Trading at the Bluecoat Limited, a company incorporated in England & Wales, company registration number 06825349 and whose registered office is The Bluecoat, School Lane, Liverpool, L1 3BX.

As at 31 March 2021, its reserves stood at (£4,040). The principal activity of Trading at the Bluecoat Limited is to operate catering and hospitality outlets situated within the building. The company also undertakes events and room hire. The venture's financial results for the year ended 31st March 2021 were:

	2021 £	2020 £
Turnover	40,541	512,527
Grant Income	58,064	0
Expenditure	(125,966)	(510,298)
Tax	8,073	0
Profit (Loss)	(19,288)	2,229

14 STOCK

	2021 £	2020 £
Group		
Food & drink	<u>1,943</u>	<u>5,015</u>

15 DEBTORS

	2021 £	2020 £
Group		
Trade debtors	34,674	34,797
Accrued income	47,500	78,283
Other debtors	165,026	45,663
	<u>247,201</u>	<u>158,743</u>
Company		
Trade debtors	32,980	27,947
Accrued income	41,063	77,030
Other debtors	176,940	45,663
	<u>250,983</u>	<u>150,640</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Group		
Trade creditors	214,550	85,464
Deferred income	377,928	254,995
Social security and other taxes	12,293	35,814
Accruals and provisions	57,805	43,299
Other loans	68,499	50,000
	731,074	469,572
Company		
Trade creditors	213,302	76,504
Deferred income	362,857	237,976
Social security and other taxes	11,191	20,677
Accruals and provisions	53,688	39,116
Other loans	68,499	50,000
Amounts due to (from) group companies	0	37,541
	709,537	461,814

The Arts Council of England has a fixed and floating charge over land and properties of the Charity. The National Heritage Memorial Fund and Barclays Bank plc have legal charges over all monies due or to become due. Barclays Bank plc also has a fixed and floating charge over all property and assets.

Within other loans is £50,000 which relates to a concessionary loan provided by Liverpool City Council. The loan is interest free and is repayable by instalments, the final of which is due in 2022.

Deferred income comprises grants received in advance of expenditure, and advanced ticket sales and deposits for events to be held at The Bluecoat after the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021**

17 LIABILITIES: AMOUNTS FALLING DUE GREATER THAN ONE YEAR

	2021 £	2020 £
Group		
Deferred Capital Grant Income	121,153	29,962
Other loans	120,196	62,500
Total	<u>241,349</u>	<u>92,462</u>
Company		
Deferred Capital Grant Income	121,153	29,962
Other loans	120,196	62,500
Total	<u>241,349</u>	<u>92,462</u>

Included in the above total are the following items:

	2021 £	2020 £
Maturity of debt:		
Amounts falling due:		
- In one year or less	68,499	50,000
- Between one and two years	57,835	62,500
- Between two and five years	62,361	0
	<u>188,695</u>	<u>112,500</u>

There is a £87,500 unsecured and concessionary loan provided by Liverpool City Council. There is a £101,195 social investment loan from Livv Housing Group that is provided over a five-year term.

18 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Group		
Financial assets at cost	475,423	190,155
Financial liabilities at cost	272,355	128,763
Loan commitments at cost	188,695	112,500
Charity		
Financial assets at cost	473,880	178,676
Financial liabilities at cost	266,990	153,160
Loan commitments at cost	188,695	112,500

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021**

19 RESTRICTED FUNDS

	Movement in Funds		
	Balance 1 April 2020 £	Income £	Expenditure £
Group and Company			
Building Development	8,711,751	49,355	301,817
Participation	43,453	31,533	40,703
Arts	85,429	22,850	63,567
My Bluecoat	65,235	0	0
Inhabit	23,215	0	0
Livv Social Investment Grant	0	40,000	40,000
Fundraising & development	4,916	0	0
	8,933,999	143,738	446,087
			8,631,650

RESTRICTED FUNDS (PRIOR YEAR)

	Movement in Funds		
	Balance 1 April 2019 £	Income £	Expenditure £
Group and Company			
Building Development	8,958,587	3,745	250,580
Participation	42,942	42,002	41,491
Arts	132,819	29,962	77,352
My Bluecoat	65,235	0	0
Inhabit	23,215	0	0
Fundraising & development	4,916	13,487	13,487
	9,227,714	89,196	382,910
			8,934,000

Building Development - This represents grants received to finance the major refurbishment of The Bluecoat that took place between 2006 - 2008, and more recently capital grants received in 2020-21 to renovate and refurbish the reception areas.

Participation - Funding for outreach programmes of participation events aimed at the local community. This includes receipts from BBC Children in Need and My Clubmoor.

Arts - Funding is received for a range of artistic commissions. This includes receipts from Ty Pawb and the British Council, Cre-Art, and Arts Council England Celebrating Age Fund.

My Bluecoat - Heritage Lottery Fund grant funding for a web and building based project that tells the story of Bluecoat and the effect it has had on the lives of the people of Liverpool and beyond.

Inhabit - A project funded by Esme Fairburn Foundation to deliver a new approach to dance and engagement in partnership with Liverpool Improvisation Collective.

Fundraising and Development - Arts Council England Catalyst funding to support the charity in developing more diverse sources of income, and more recently funding from the Access Reach Fund to support investment readiness.

Livv Social Investment Grant - Grant funding from Livv Investment to support the charity's commercial development.

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**NOTES TO THE FINANCIAL STATEMENTS
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20 UNRESTRICTED FUNDS

	Movement in Funds			
	Balance 1 April 2020 £	Income £	Expenditure & transfers £	Balance 31 March 2021 £
Group				
General	178,458	1,657,344	1,386,771	449,031
Designated Unrestricted	0	0	0	0
	178,458	1,657,344	1,386,771	449,031
Company				
General	163,210	1,581,431	1,291,573	453,068
Designated Unrestricted	0	0	0	0
	163,210	1,581,431	1,291,573	453,068

UNRESTRICTED FUNDS (PRIOR YEAR)

	Movement in Funds			
	Balance 1 April 2019 £	Income £	Expenditure & transfers £	Balance 31 March 2020 £
Group				
General	251,461	1,695,327	1,768,330	178,458
Designated Unrestricted	0	0	0	0
	251,461	1,695,327	1,768,330	178,458
Company				
General	205,441	1,284,164	1,329,396	163,210
Designated Unrestricted	0	0	0	0
	205,441	1,284,164	1,329,396	163,210

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2021

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Tangible Fixed Assets £	Net Current Assets/ (Liabilities) £	Long Term Liabilities £	2021 Total £
Restricted Funds				
Building Development	9,478,886	(1,019,596)	0	8,459,290
Participation	0	34,283	0	34,283
Arts	0	44,712	0	44,712
My Bluecoat	0	65,235	0	65,235
Inhabit	0	23,215	0	23,215
Fundraising and Development	0	4,916	0	4,916
	<u>9,478,886</u>	<u>(847,235)</u>	<u>0</u>	<u>8,631,651</u>
Unrestricted Funds	0	690,380	(241,349)	449,031
	<u>9,478,886</u>	<u>(156,855)</u>	<u>(241,349)</u>	<u>9,080,681</u>

The net current liability on the Building Development Restricted Fund represents the transfer of funds from restricted to unrestricted that took place between 2006 and 2009 to reflect the reallocation of projects and brought forward balances between categories, and more recently capital grants received and spent in 2020-21 to renovate and refurbish the reception areas.

ANALYSIS OF NET ASSETS BETWEEN FUNDS (PRIOR YEAR)

Group	Tangible Fixed Assets £	Net Current Assets/ (Liabilities) £	Long Term Liabilities £	2020 Total £
Restricted Funds				
Building Development	9,383,391	(671,639)	0	8,711,752
Participation	0	43,453	0	43,453
Arts	0	85,429	0	85,429
My Bluecoat	0	65,235	0	65,235
Inhabit	0	23,215	0	23,215
Fundraising and Development	0	4,916	0	4,916
	<u>9,383,391</u>	<u>(449,391)</u>	<u>0</u>	<u>8,934,000</u>
Unrestricted Funds	0	270,920	(92,462)	178,458
	<u>9,383,391</u>	<u>(178,471)</u>	<u>(92,462)</u>	<u>9,112,458</u>

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21 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Company	Tangible Fixed Assets £	Net Current Assets/ (Liabilities) £	Long Term Liabilities £	2021 Total £
Restricted Funds				
Building Development	9,474,231	(1,014,941)	0	8,459,290
Participation	0	34,283	0	34,283
Arts	0	44,712	0	44,712
My Bluecoat	0	65,235	0	65,235
Inhabit	0	23,215	0	23,215
Fundraising and Development	0	4,916	0	4,916
	<u>9,474,231</u>	<u>(842,580)</u>	<u>0</u>	<u>8,631,651</u>
Unrestricted Funds	0	694,417	(241,349)	453,068
	<u>9,474,231</u>	<u>(148,163)</u>	<u>(241,349)</u>	<u>9,084,720</u>

The net current liability on the Building Development Restricted Fund represents the transfer of funds from restricted to unrestricted that took place between 2006 and 2009 to reflect the reallocation of projects and brought forward balances between categories, and more recently capital grants received and spent in 2020-21 to renovate and refurbish the reception areas.

ANALYSIS OF NET ASSETS BETWEEN FUNDS (PRIOR YEAR)

Company	Tangible Fixed Assets £	Net Current Assets/ (Liabilities) £	Long Term Liabilities £	2020 Total £
Restricted Funds				
Building Development	9,376,880	(665,128)	0	8,711,752
Participation	0	43,453	0	43,453
Arts	0	85,429	0	85,429
My Bluecoat	0	65,235	0	65,235
Inhabit	0	23,215	0	23,215
Fundraising and Development	0	4,916	0	4,916
	<u>9,376,880</u>	<u>(442,880)</u>	<u>0</u>	<u>8,934,000</u>
Unrestricted Funds	0	255,672	(92,462)	163,210
	<u>9,376,880</u>	<u>(187,208)</u>	<u>(92,462)</u>	<u>9,097,210</u>

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22 RELATED PARTIES

The company is controlled by its Directors whose names are shown on page 2.

The charity has taken advantage of the exemption in Section 33 of FRS 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared.

In the year ending 31 March 2021 the charity continued to enjoy a close working relationship with the Arts Council and Liverpool City Council who provide funding to enable the charity to carry out its charitable objectives. The grants received are included in the financial statements under income from charitable activities.

There were no other related party transactions during the year, nor any outstanding balances at the year end.

23 OTHER FINANCIAL COMMITMENTS

At 31 March 2021 the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases as at the reporting date as follows:

	2021	2020
	£	£
Expiry date:		
Not later than one year	2,612	2,612
Later than one year and not later than five years	3,700	6,312

24 PENSION COMMITMENTS

The group operates a defined contributions 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 £19,723 (2020: £23,259). At the year-end £2,752 was included within creditors in respect of pension commitments (2020: £7,027).

25 EVENTS AFTER THE BALANCE SHEET DATE

Bluecoat has completed its capital upgrade works and successfully reopened to the public. The organisation continues to receive support from Arts Council England and Liverpool City Council to support its activities.

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**NOTES TO THE FINANCIAL STATEMENTS
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26 CAPITAL COMMITMENTS

At 31 March 2021 the charity had capital commitments as follows:

	2021 £	2020 £
Contracted for but not provided in the financial statements:		
Acquisition of property, improvements and fixtures and fittings	248,604	0

27 PRIOR YEAR COMPARATIVE SOFA

	Notes	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
Income					
Donations and legacies	3	8,463	-	8,463	8,776
Other trading activities	4	808,316	-	808,316	806,834
Income from charitable activities	5	878,548	89,196	967,744	1,095,198
Total Income		<u>1,695,327</u>	<u>89,196</u>	<u>1,784,523</u>	<u>1,910,808</u>
Expenditure					
Expenditure on raising funds	6	932,973	-	932,973	925,873
Expenditure on charitable activities:	7	835,358	382,910	1,218,268	1,253,324
Total Expenditure		<u>1,768,330</u>	<u>382,910</u>	<u>2,151,241</u>	<u>2,179,197</u>
Net expenditure for the year and Net movement in funds		<u>(73,003)</u>	<u>(293,714)</u>	<u>(366,718)</u>	<u>(268,389)</u>
Balance brought forward		251,461	9,227,713	9,479,174	9,747,563
Balance carried forward		<u>178,458</u>	<u>8,933,999</u>	<u>9,112,456</u>	<u>9,479,174</u>