

The Bluecoat

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

Year ending 31 March 2023

Company number 02246627

Charity number 700862

THE BLUECOAT
(A company limited by guarantee)

**FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023**

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THE BLUECOAT
(A company limited by guarantee)

Company Information for Year Ended 31 March 2023

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: NatWest Bank, 2-8 Church Street, Liverpool, L1 3BG

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 | Eddie Berg (Resigned 27 March 2023) |
| | Kelly Salvoni (Resigned 27 March 2023) |
| | Jamie Eastman |
| | Ralph Bullivant |
| | Sri Sarker |
| | Michael Birchall |
| | Sally-Anne Watkiss |
| | Philomena Harrison |
| | Gabriella Chauke |
| | Rachel Duncan (appointed 21 May 2022) |
| 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.

Directors' Report for the Year Ending 31 March 2023

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 2023.

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 2023

Introduction

2022-23 was another challenging yet impactful year for the Bluecoat. As we continued to rebuild in a peri-pandemic world, we stayed true to our core values of supporting and platforming diverse artists, advocating for the value of the arts, and using our heritage to help tell Liverpool's cultural and creative story.

We were delighted to welcome audiences, locals and tourists back to our building post-lockdown, and we are pleased to have been able to open from Tuesday-Sunday as a safe civic and cultural space for Liverpool.

Creatively, we challenged ourselves to show work in new ways, including through outdoor installations and via digital methods. We proudly championed a range of artists and creatives, from Suki Chan and Bruce Asbestos, to members of Blue Room and Out of the Blue.

We also sought new ways to tell the story of our heritage, and with programmes such as Echoes & Origins, we were able to interrogate Bluecoat's past in ways we have never done before.

Our participation work continued to grow, as we strived for deep and sustained engagement with a range of groups, including adults with learning disabilities, children from economically disadvantaged areas and care home residents who are living with dementia.

We also worked hard to usher in a new phase of business development for the organisation, exploring new and creative ways to generate enough income to support our wider purpose. And of course, we were delighted to be confirmed as an Arts Council England National Portfolio Organisation during this period.

It remains a difficult time for the arts. But we remain committed to our important work, and in what was another unpredictable year, we are proud to have made an impact on the communities we serve.

Artist Development

As we continued to rebuild after Covid, supporting artists' development was a priority for Bluecoat.

PIVOT was our artist development programme, delivered in partnership with Castlefield Gallery. Its objective was to support five mid-career artists based across the North West (Pat Flynn, Garth Gratrix, Bridget O'Gorman, Salma Noor, Chester Tenneson) with bespoke mentoring and skills development.

From May - September, the artists took part in the PIVOT: Editions exhibition, which ran as part of the British Art Show 9 Fringe. The programme was later concluded with a showing of participating artists' work alongside some Bluecoat editions at Manchester Contemporary Art Fair in November 2022.

Directors' Report for the Year Ending 31 March 2023

Meanwhile, we supported Liverpool-based artist Dave Evans to develop an experimental new work that took place live at Bluecoat and was live streamed online. Evans' work was based on heavy-metal fan jackets, but in place of patches of heavy-metal band logos, Evans had stitched solar panels and electronics, turning the jacket into a portable gadget that picked up digital signals around our building.

We launched our first series of podcasts called Listening With... which aims to bring greater insight to our audiences into how artists develop their work. The podcast series began with artist Suki Chan, and followed threads of her work to further episodes with researchers and other artists, including Roger Hill, Chris Frith and Michelle Henning.

We also continued our work with our Winter Commission artist, Bruce Asbestos. Through development with our Digital Programme Manager, Asbestos created his first ever digital app, Eye of Newt. The app took the form of a game, in which characters from his commission could be moved to change the colour and surroundings of an underwater scene. The game combined graphics and sounds with the aim to produce a game that boosted wellbeing and related to ideas around wellness that were present in the rest of his work. Our Digital Programme Manager also worked with Asbestos to create an augmented reality Instagram filter: the first time Bluecoat has done this.

In July, we launched our children's exhibition, Are You Messin'? featuring three new commissions and loaned work from ten Liverpool and North West-based artists. Further to the

development of both Millie Toyin Olateju's practice by diversifying into sculpture and Gregory Herbert's development in working in close.

During this period, dancer Priya Mistry was in residence at Bluecoat interrogating the possibility of developing her dance practice in an institutional setting. During her week-long residency, Mistry reached out to the dance community in the North West for collaborators to take part in her process. Mistry was assisted with space, staff support, materials and marketing support which resulted in much learning for herself and Bluecoat about the opportunities and challenges for dance in a gallery setting.

In early October, we launched our exhibition breathe, spirit and life 呼吸、靈魂與生命. The theme of the show centred around decolonising institutional spaces, and featured three loaned works and three new commissions selected by guest curator, Katherine Kayi Liu 廖加怡.

Kiara Mohammed Amin's Black Presence video work explored representations of Black bodies and Black joy. Thulani Rachia's installation used classical compositions performed in St Giles Cathedral, Edinburgh alongside commissioned symbolic robes to explore the challenges of place-finding for immigrant populations in colonising countries. Sulaïman Majali used symbolic arrangements of sports paraphernalia in his installation to evoke visual representations of colonisation. Emii Alrai's archaeology-inspired installation questions the role of the museum as gate-keepers of foreign artefacts. Soojin Chang's video, JADE BAMBOO BABY SPINE re-told episodic instances of world rituals against the backdrop of rural Cornwall. Roo Dhissou's collection of manjis and brooms re-positions these community and domestic labour objects as prompts for aesthetic engagement.

Directors' Report for the Year Ending 31 March 2023

Throughout the year, Blue Room artists continued to develop their practice and work with mentors. Studio Me artists worked one to one with mentors and developed links with funders such as Henry Moore for their sculptural work. Studio Me artists held a pop up exhibition at Cass Arts during October 2022, and in November 2022, Veronica Watson and Joshua Henderson, travelled to Frieze Art Fair.

Between February and May 2023, we entered into a brief quiet period, to allow for essential gallery maintenance. During this time, we used the gallery as a large-scale studio space for 14 Studio Me artists. Over a period of three weeks, the artists were able to experiment with larger scale works and take an important step in their artistic development to understand the scale and scope of a large scale gallery space such as Bluecoat. Works ranged from large scale murals and paintings (Laura Aquilana, Tess Gilmartin, Otty Said), collaborative paintings and drawings (Tom Rooney with Max Mallender, Jean Smith with Ben Youdan), sculpture (Alfie Beesley), animation (John Steele) and installation with performance (Jane Walsh).

In collaboration with our Out of the Blue children, we provided development opportunities for six local artists in terms of facilitation practice. Along with support from our participation department, the artists were given the opportunity to plan and deliver a two-hour workshop for children in the gallery as part of our exhibition-based live programme over the course of the exhibition run.

We also hosted a series of storytelling sessions in the library section of the exhibition, providing opportunities for four local storytellers to deliver to new audiences. This included three taster sessions of our popular Baby Book Club, which were designed and delivered by Roger Hill.

In March, we welcomed Joshua Clague, the recipient of our New Contemporaries Studio Bursary. As part of his one year residency, Clague will use print, textiles, dance and text to explore themes around loss, family and gay culture.

In the same month, artist Josie Jenkins began work with printmaker Kate Hodgson to produce her first ever screen-printed edition.. This work was part-funded by Ulrike Michal Foundation for the Arts. The print edition went on to be sold at Bluecoat as an affordable edition.

Blue Room

This year, Blue Room continued to deliver its Esmée Fairbairn Foundation supported project, Beyond the Blue. The aim of this project was for learning disabled artists to be supported to further develop, define and share their individual artistic practices. Alongside this, Bluecoat as an organisation aimed to evolve its own internal programmes, in order to be a strong advocate for learning disabled artists in the wider cultural sector.

An important strand of this project was Studio Me. In this programme, individual learning disabled and neurodivergent artists were supported to gain experience of creative studio practice by being paired with mentors, including local artists Michael Lacey, Nicki McCubbing and Jenny Steele.

Directors' Report for the Year Ending 31 March 2023

Studio Me artists were all profiled on the Bluecoat's website, and in September-October, Studio Me & You was launched with OUTPUT Gallery. This postal exhibition gave audiences the chance to buy limited-edition prints of images from nine artists. Following on from this, 15 artists were supported with a small exhibition at Cass Art in October-November.

Over the year, artists also made and sold work at maker's fairs, including Good Market, Liverpool Print Fair, and local Christmas events. This experimental pathway generated some income from sales, providing an opportunity to trial artist agreements between the involved artists and mentors.

Two artists also began residencies. Rob Ellis worked with artist Kate Hodgson at Liverpool John Moores University's print studio, and Joshua Henderson worked with Venture Arts in Manchester as part of Outside In's North West Hub for Artist Development.

The first phase of Blue Room Moves - our new project supporting learning disabled and neurodivergent adults who are interested in dance, movement and performance - began. Developed by Dance Facilitator Vicky Riley with assistant Maria Mortimer, the initial programme ran until August. In January, Blue Room Moves delivered a performance to a sold out audience at Bluecoat.

In June, we launched a digital commission in the Bluecoat garden. The Invisible Blue Island was an augmented reality world created by Blue Room artists with Edie Jo Murray. This colourful and fun work could be experienced online (as well as in person in the Bluecoat) via QR codes hidden amongst the flowers.

In August, we marked four years of Blue Room at Norton Priory with a celebration event, sharing the Invisible Blue Island trail which was installed in the Walled Garden in parallel to the Bluecoat's own.

We ended the year with an exciting national commission. Following an initial period of submission and design, Blue Room artists have been commissioned to create a unique festive knot wrap for cosmetics store LUSH. Along with a bursary of £2500, the artwork will be rolled out in stores nationwide ahead of Christmas 2023.

Where the Arts Belong

In partnership with Belong and funded by Arts Council England, Where the Arts Belong was a groundbreaking project, providing enriching arts experiences in specialist dementia care villages across the North West.

As part of the project, Belong customers enjoyed sculpture, storytelling, papercutting, dance, music, digital and sound arts in a series of artist residencies. Each artist has been selected by Bluecoat for their practice and its relationship with ageing, storytelling, movement and sensory experience.

In October, Alan Dunn led weekly remote sessions in Soundscapes. Every Friday for eight weeks, Alan worked with a Belong group making soundscapes using ordinary objects such as twanging rulers, dinging metal pet bowls filled with water, pinging elastic bands - and saying tongue twisters and making animal noises.

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In November, Brigitte Jurack led ceramic sessions. She also worked with a local school group to create fish tiles for the Belong garden that were installed in autumn.

Roger Hill made weekly visits and worked with a select number of couples (married couples and parent/child couples) on playful interaction and developing tools to help people with dementia self soothe.

Mary Prestidge made several visits to the village, leading group and one-to-one sessions in sensory movement both in The Venue (function room) and in households. Roger, Mary and Brigitte co-delivered staff training in Arts Awareness.

Project Facilitator, Tabitha Moses also, led fortnightly sessions in a variety of artforms including drawing, poetry, embroidery.

During the course of the year, Edwin Pink began work on making a film about the project, interviewing past participants and their loved ones on the positive impact the project has had on their lives.

Overall, the residencies were a great success and brought together people with later stage dementia with artists in group and 1:1 settings. The person-centred nature of the work was commented on by Belong staff. The artists used their sensitive intuition to engage residents from the village. In total, twenty five older people were engaged.

Children and Families / Out of the Blue

The Children and Families programme was central to Bluecoat's activity this year, thanks to the successful exhibition, Are You Messin', the much-celebrated return of Out of the Blue, and the launch of Baby Book Club.

Following on from a temporary quiet period during the pandemic, we were delighted to have our after school arts club, Out of the Blue, up and running again. During this year, we worked with our partner schools: Smithdown Primary, Princes Primary, Broad Square Primary, Leamington Community Primary and Four Oaks Primary.

In Spring, the team successfully delivered a half term holiday activity package at Bluecoat for children from the project, attended by 45+ children over three days. Between 10-3pm each day the children worked with staff to explore Bluecoat and work on projects that developed their creativity.

As we came to the end of the funding from Hays Travel & the Ironmongers' Company to deliver an additional club in Windmill Hill Primary in Runcorn. and due to logistical challenges and staffing changes, we have decided not to pursue this extension any further. The school understood this decision and said they would be in touch if they had any funding for collaborative work in the future.

We celebrated big audience figures for Are You Messin'?, with over 19,000 visits. Many families (a key target in our audience development strategy) made regular repeat visits, with some even returning weekly.

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The summer holidays particularly were one of the busiest periods for Children & Families the Bluecoat has ever seen. The workshop programme for Are You Messin'? was hugely popular from the start, culminating in over 90 children plus their grown ups attending the final workshop. Each week we had artist-led sessions and storytelling sessions.

In addition to the public Children & Families sessions, we also ran six holiday activity days for the Out of the Blue children on site, investigating different artists from the exhibition. Several children accessed the Are You Messin'? exhibition independently including several from Princes Primary, our SEN partner school.

A ten-week summer baby book club was delivered by Roger Hill with a full capacity and a small waiting list. An autumn Baby Book Club began in September, which was sold out and well attended throughout.

In November, we ran our first full sized family day since January 2019. The day coincided with the last day of the River of Light Festival, so activities were themed to some of the works on display across the city. Activities were designed and delivered by the Children & Families

team with some support from Front of House. 109 people attended, which included five families from Out of the Blue.

We hosted our first full family weekend at the end of January, during the first weekend of the Lunar New Year celebrations. On the Saturday we had dance workshops delivered by Bluecoat studio holders, Movema and on Sunday a portrait activity run by Beatrice Png who designed the marketing visuals for breathe, spirit and life 呼吸、靈魂與生命, alongside activities run by the Participation team throughout the weekend. The weekend was hugely popular, with the venue almost at capacity.

During February half term, the Children & Families team reshuffled available resources and were able to offer family activities in the Bistro for three days (Tuesday, Wednesday and Thursday). These days were a great opportunity to trial a new approach in cross-team working and resulted in new audiences for the Bistro. Over 190 people attended the activities over the three days, the majority of whom then went on to spend money in the Bistro or cafe. Sadly, despite personal invites going out to the Out of the Blue children, none of them attended the workshops, which shows the impact of free travel and/or hospitality can have on attendance from these communities.

Cultural Legacies

This year, our heritage participation project Echoes and Origins came to an end, exploring our building's eighteenth-century founding narratives and bringing them into dialogue with the present. Funded by the National Lottery Heritage Fund and others, it involved local children, young people and adults in creative workshops.

Following the first strand, 'Colonial Legacies', which examined the original charity school funders' involvement in transatlantic slavery and the relationship of this to the formation of Liverpool's diverse communities today, a second strand focussed on 'Looked After Children'.

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Here, the lives of orphans at the school were beautifully evoked in a performance by a group of children from Kinship Carers, working with dance artist Paula Hampson, while a group of adults worked with writer Margy McShane to bring to life the children's lost voices through poetry. Both project strands culminated in powerful exhibitions in the Vide, combining archival material and new artwork. From these, an interactive installation by Stand + Stare, capturing the lives of people at the school, and a chilling map charting the slave voyages sponsored by the family of school founder Bryan Blundell, remained on permanent display after the project finished.

Academic research by PhD candidate Michelle Girvan was crucial to Echoes and Origins and some of her research is on our website, alongside films and other material from the project. The intersection of its two strands was brought vividly to life in a public programme of talks by poet Jackie Kay, academic and writer Malik Al Nasir, and others.

Our building's colonial connections were the backdrop to other events, including the Walk of Remembrance, organised by National Museums Liverpool for Slavery Remembrance Day, which stopped at the Bluecoat for a reading by one of the young participants in Echoes and Origins, while an introduction to our colonial legacies work given to the Centre for the Study of International Slavery led to CSIS using the venue to host several of its events.

An archive display, Plotting the Course, relating to the arts centre's four-decades' long engagement with artists of colour through its exhibitions and performances remained in the Vide well into the following year. This, and other histories of both the charity school and the arts centre, were added to our website, where the library was further developed across the year.

We continued our support for one of our artistic alumni, Tony Phillips, whose public art trail, Above Us Only Sky, a series of painted plaques themed around the history of aviation and leading from the Bluecoat to the Bombed Out Church and back again, continued until October 2022. The highlight that month of the Lowry Lounge, our annual celebration of Wirral-born writer Malcolm Lowry, was an online interview with Mexican scholar Alberto Rebollo, who organises a Lowry Colloquium in Cuernavaca, the setting for his novel, Under the Volcano.

Building tours and talks about our heritage were in demand throughout the year, including during Heritage Open Days, and there was an increasing number of requests for visits from university and college groups to study our architecture and archives. For the general visitor, the Bluecoat story was made available with a welcome reprint and update of the illustrated booklet charting our history.

External partnerships were to the fore. The Bluecoat led on coordinating a 'Reverse Big Ideas' evening of presentations at Liverpool John Moores University, an opportunity for members of Liverpool's two arts consortia, LARC and COoL to share current ideas with academics, students and the public. We collaborated with the Royal Society of Arts on a public forum looking at 'levelling up'.

Our Director of Cultural Legacies, Bryan Biggs was invited to contribute to several conferences and talk events, including by the British Art Network who asked him to convene a

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conference to mark BAN's tenth anniversary. Themed around 'a decade of decentring British art', this was hosted at the arts centre.

We started a second Collaborative Doctoral Award with the University of Liverpool around social mobility in the arts. As part of her research, PhD candidate Jasmine Robinson will be exploring our archive relating to artists we have worked with since the 1960s.

Public Visibility and Influence

This was the year that Bluecoat was listed in the top 10 museums in Liverpool by the Lonely Planet - and we're pleased with how we showcased the best of our organisation to earn that accolade.

Bruce Asbestos's outdoor installation - OK! Cherub! - was a great success. The striking nature of the piece helped us to attract high numbers to the site, and the piece received a lot of coverage on social media, in particular on Instagram, which is our fastest growing social media platform. The Liverpool Echo shared it on their Instagram page as did many influencers from across the city.

In September, we launched a new short promotional film, shot by filmmaker Ben Pottst. Using the brand messages we have developed a script and after two days of filming we have

completed a final edit. The film was used to launch a new TikTok profile. A content strategy is being developed for TikTok, which continues to see steady growth.

The Suki Chan exhibition provoked a strong reaction from visitors and was described as 'powerful and impressive' and 'thought provoking and emotional'. It was well received by Art Monthly, who published a review and Corridor8 who also reviewed it and said: "CONSCIOUS is deeply respectful and caring, using the immediacy and intimacy of film to flesh out realities that many might not have experienced first-hand." We have worked with the Brain Charity to deliver Sunday afternoon singing workshops for people with dementia.

After the Colonial Legacies exhibition opened in March we hosted a series of events that drew good crowds. Courtyard poetry was a popular Sunday lunchtime event, the Mixed Race Experience with the founders of Everyday Racism provided an insightful and interesting debate, and Malik Al Nasir gave a powerful keynote speech. We have developed a record of the project for our website, including profiles of our young event organisers. Go Play Studio have produced a film about the project which can also be found on these pages.

Are You Messin'? was a fantastic opportunity for us to be creative with our exhibition campaign. We developed a hand drawn font and a playful visual style, using our brand guidelines. We also worked with Instagram influencers to promote the exhibition and developed an advertising campaign to target a broad range of family audiences. The exhibition's event programme of artist-led workshops also performed well, welcoming up Key press coverage for the exhibition included two separate pieces for BBC Radio Merseyside and features online for The Guide, Arts City Liverpool, Creative Tourist and Visit Liverpool. On the back of this, we now have a strong children and families mailing list. We will work to keep in touch with this audience, targeting them with messaging about other family appropriate programming.

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In September, we developed Bluecoat's first brand film with filmmaker Ben Potts. The film has been a valuable tool for us to share with partners, peers and the public.

We celebrated Heritage Open Days with a programme of fully booked heritage tours of the building. We created a piece of print to support the Looked After Children exhibition's event programme, which has so far hosted well attended events and will conclude with Jackie Kay in November.

In the same month, our Director of Cultural Legacies Bryan Biggs took part in a special programme for BBC Radio Merseyside broadcast live from Tate Liverpool, in which he discussed the Turner Prize with broadcaster Claire Hamilton and leading arts figures from the city. The interview focused on Bluecoat's relationship with the prize and the organisation's role in supporting emerging artists over the years.

Our autumn exhibition breathe, spirit and life 呼吸、靈魂與生命 opened with a marketing creative by designer Beatrice Png. The opening was well attended, and the exhibition received press coverage from local and regional outlets including The Double Negative, Creative Tourist and Corridor8.

In February 2023, we hosted Metro Mayor Steve Rotherham at the Bluecoat. Mary and other members of the team gave him an official tour, and spoke to him about our work. The visit

was very positive, and we hope the relationship will allow for support in the future - particularly around our Cultural Mile project.

Business Development

This was an important year for Business Development. Diversifying the organisation's income in order to help us become less reliant on trusts and foundations, has been a priority.

By the end of Q1, we had appointed our first ever Business Development Manager, funded for one year by the National Lottery Social Enterprise Support Fund. The purpose of this recruitment drive was to allow us to focus on trialling new income generating activities, as well as giving an opportunity to look at existing activity with a more commercial focus.

2022-23 was a year of establishment and growth for the Business Development team, with financial sustainability at the heart of all decision making. As new processes and plans for pilot activities were put in place, a number of key roles were identified and recruited.

To this end, we appointed a consultant to help create a Commercial Strategy. Alison Duckworth of Epona Marketing worked alongside the team to explore potential areas for growth, including merchandising; re-opening of the print room for courses and private hire; growing our room hire business, and programming on-site events such as book fairs, record fairs and markets.

To facilitate the successful reopening of our print studios, a Print Studio Manager was recruited and hit the ground running with a new artist membership scheme, and a calendar of print workshops with local print-making artists such as Kate Hodgson and Becky Peach.

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The Bluecoat's Sales and Events Executive also moved into the Business Development team, to allow us to continue building those strong commercial foundations and a sustainable pipeline of corporate hires and weddings.

In 2022/23, we were delighted to be able to implement a number of points highlighted in the commercial strategy. The print room was successfully reopened and the first season of print workshop sales were very encouraging. We began selling Children & Families Activity Packs; we held a Business Breakfast to encourage local businesses to view Bluecoat as a hire space; we trialled working with Good Market where we piloted selling brand new Bluecoat merchandise produced in our print studios, and in order to grow our network, we became members of Liverpool's Chamber of Commerce.

To continue our growth and development, our Business Development Manager applied to take part in the School for Social Entrepreneurs Heritage Trade Up programme. The application was successful, and gave access to further match funding, mentoring and a network of entrepreneurs from other similar organisations.

Development

In 22-23, we continued to fundraise for a range of projects across Bluecoat, including Out of the Blue, Blue Room, Where the Arts Belong and for core operating costs. Our fundraising activity spanned Trusts and Foundations, Individual Giving and relaunching our Membership Scheme post-pandemic.

During this period, we applied to 97 trusts and foundations, successfully raising £58,121, with an approximate success rate of 15.5%. We were also awarded an additional £9,200 from the Esmée Fairbairn Foundation as part of an uplift payment to their existing relationships.

A highlight was receiving our NPO decision in November. We were delighted to be awarded our core funding for the next three years. To be awarded our full request during a period of uncertainty speaks of the significance of our work at the Bluecoat, and we are grateful to Arts Council England for their continuing support.

Alongside this, we were invited to make a second stage application to Fidelity UK Foundation, in the region of £340,000, to help purchase and install new AV equipment, and to grow business development. We were also successful in securing our Liverpool City Council CAIP funding, and were pleased to be awarded £120,000.

While we received and awaited decisions, we continued to work on a number of prospective applications, including to the Paul Hamlyn Foundation, the Garfield Weston Foundation and the National Lottery Heritage Fund.

Individual Giving saw us raise £3,136 across the year through a combination of on-site and online fundraising—a 118.6% increase compared to 21-22. Q2 saw the largest sum of donations (£1,005) with total cash donations for the year (£1,460) being almost double both contactless donations (£739) and online donations (£748).

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In April 2022 we refreshed the vinyls and artworks on our on-site donation boxes to align with our new brand identity, leaning on Behavioural Economics principles and Decision Science learned from our work with =MC Consulting in 2020.

Eight Members renewed throughout the year, and it became clear that our Membership scheme needed updating to reflect our new branding and offer in a peri-pandemic world.

Financial Review

The consolidated financial results for the year are set out on pages 23 to 45 for Bluecoat and its wholly owned subsidiary, Trading at the Bluecoat Ltd. The group had net expenditure for the year of £561,463 (2022: net income of £325,416), after charging depreciation and amortisation of £404,915 (2022: £399,941).

Trading at the Bluecoat Ltd operates a café and 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 before tax for the year of £12,861 (2022: profit of £39,168).

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 2023, the group had unrestricted general reserves totalling £388,501 (2022: £615,309).

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

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.

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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, the bistro, and events and conferencing facilities at Bluecoat.

Pay Policy for Key Management Personnel

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

Directors' Report for the Year Ending 31 March 2023

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.

Plans for the Future

Looking ahead to the new financial year, we are excited to take part in the Liverpool-wide cultural programme EuroFestival, in May, which will present 24 new commissions around the city to coincide with Eurovision. For a two week period we will welcome Dialogues to our gallery, an exhibition featuring Ukrainian artist Alevtina Kakhidze and UK artist Ellie Hoskins. Kakhidze's deadpan humour is shared by Ellie Hoskins who uses text, illustration, painting, sculpture and animation to comment on daily life. Both artists will develop new work in our galleries throughout the exhibition period, and will exhibit large poster works on the exterior of our building on Blundell Lane.

As part of EuroFestival our front courtyard will also host an inflatable Soloveiko Songbird sculpture as part of a trail around the city centre. We will also hold our own programme of Eurovision-inspired events including a viewing party and a Eurovision Family Print Party.

Summer 2023 will see the welcome return of the Liverpool Biennial exhibition to our gallery. This 12th edition of the festival is titled uMoya: The Sacred Return of Lost Things and is curated by Khanyisile Mbongwa. The exhibition will address the history and temperament of the city of Liverpool and is a call for ancestral and indigenous forms of knowledge, wisdom and healing. Bluecoat's exhibition will include work by Nicholas Galanin, Raisa Kabir, Kent Chan and Benoît Piéron.

In October we will present Tim Spooner: A New Kind of Animal. The exhibition features an exciting joint commission with Southwark Park Galleries and we are delighted to be collaborating with them to bring the artist's work to a wider audience. A New Kind of Animal will display over 190 of Spooner's works including collage, painting and sculpture alongside a new commission, which takes the form of a host of furry, animatronic sculptures inspired by the artist's previous work.

In February 2024 we will hold present two exhibitions; Babak Ganjei: Thanks for Having Me and Joshua Clague: and it feels like I just got home. Bluecoat has a long relationship with these two artists, with Ganjei having previously designed a commission for our Hub space, whilst Clague has had a studio space at Bluecoat since March 2023 as part of the New Contemporaries Studio Bursary.

This year we will also conclude our successful participation project Where the Arts Belong. This partnership with Belong Villages places artists in a care home setting where they can work alongside residents to provide enrichment.

Alongside our ambitious event programme we will also continue to run a varied programme of events including talks, tours, Heritage Open Days events, print workshops and regular family activities.

We are thrilled that both our NPO and CAIP funding has been renewed for 2023/24 in recognition of the strength of our programme, and this will be vital in ensuring we continue to reach as wide an audience as possible with our varied exhibitions and events.

Directors' Report for the Year Ending 31 March 2023

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:

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.

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 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:

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Directors' Report for the Year Ending 31 March 2023

- 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

Sally-Anne Watkiss
Director



20/12/23

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUECOAT FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the accounts of The Bluecoat (the 'Parent Charity') and its subsidiary (the "Group") for the year ended 31 March 2023 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 2023 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
BLUECOAT FOR THE YEAR ENDED 31 MARCH 2023 (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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
BLUECOAT FOR THE YEAR ENDED 31 MARCH 2023 (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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
BLUECOAT FOR THE YEAR ENDED 31 MARCH 2023 (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.



Louise Casey ACA (Senior Statutory Auditor)

For and on behalf of BWM
Chartered Accountants
Statutory Auditor

Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

Date: 22 December 2023

THE BLUECOAT
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023**

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2023 £ | Total Funds 2022 £ |
|---|-------|----------------------------|--------------------------|--------------------------|--------------------------|
| Income | | | | | |
| Other trading activities | 3 | 777,026 | 0 | 777,026 | 611,619 |
| Donations and legacies | 4 | 4,767 | 0 | 4,767 | 2,293 |
| Income from charitable activities | 5 | 815,366 | 606,188 | 1,421,553 | 2,335,080 |
| Total | | 1,597,159 | 606,188 | 2,203,348 | 2,948,992 |
| Expenditure | | | | | |
| Expenditure on raising funds | 6 | 1,302,320 | 0 | 1,302,320 | 783,718 |
| Expenditure on charitable activities | 7 | 521,647 | 940,845 | 1,462,492 | 1,839,857 |
| Total | | 1,823,967 | 940,845 | 2,764,812 | 2,623,575 |
| Net Incoming/(outgoing) resources for the year and net movement in funds | | (226,808) | (334,657) | (561,464) | 325,416 |
| Balance b/f | | 615,309 | 8,790,788 | 9,406,097 | 9,080,681 |
| Balance c/f | | 388,501 | 8,456,131 | 8,844,633 | 9,406,097 |

There are no recognised gains and losses in 2023 or 2022 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.

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**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023**

Company number: 02246627

| | Notes | GROUP | | COMPANY | |
|--|-------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| FIXED ASSETS | | | | | |
| Intangible Fixed Assets | 11 | 10,757 | 22,492 | 10,757 | 22,492 |
| Tangible assets | 12 | 9,007,156 | 9,393,613 | 9,003,687 | 9,391,386 |
| Investment in Subsidiary | 13 | 0 | 0 | 1 | 1 |
| | | <u>9,017,913</u> | <u>9,416,105</u> | <u>9,014,445</u> | <u>9,413,879</u> |
| CURRENT ASSETS | | | | | |
| Stock | 14 | 8,088 | 3,453 | 0 | 0 |
| Debtors | 15 | 186,364 | 335,056 | 271,999 | 319,987 |
| Cash at bank and in hand | | <u>208,826</u> | <u>285,425</u> | <u>92,910</u> | <u>270,342</u> |
| | | <u>403,278</u> | <u>623,934</u> | <u>364,909</u> | <u>590,329</u> |
| CREDITORS: Due within one year | 16 | 273,042 | 571,581 | 225,479 | 542,885 |
| Net Current Assets (Liabilities) | | <u>130,236</u> | <u>52,352</u> | <u>139,430</u> | <u>47,444</u> |
| Total Assets less Current Liabilities | | <u>9,148,149</u> | <u>9,468,458</u> | <u>9,153,875</u> | <u>9,461,323</u> |
| CREDITORS: Due after one year | 17 | 303,517 | 62,361 | 303,517 | 62,361 |
| Total Net Assets | | <u>8,844,633</u> | <u>9,406,097</u> | <u>8,850,359</u> | <u>9,398,963</u> |
| Funds | | | | | |
| Unrestricted Reserve - General | 20 | 388,501 | 615,309 | 394,227 | 608,175 |
| Restricted Reserve | 19 | 8,456,132 | 8,790,788 | 8,456,132 | 8,790,788 |
| Total Funds | | <u>8,844,633</u> | <u>9,406,097</u> | <u>8,850,359</u> | <u>9,398,963</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 £720,781 (2022: net income of £314,243).

The financial statements on pages 23 to 46 were approved and authorised for issue by the Board of Directors on *20 December 2023*

Signed on behalf of the Board of Directors



Sally-Anne Watkiss
Director

THE BLUECOAT
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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Cash flows from operating activities: | | |
| Net income (expenditure) for the year (as per the statement of financial activities) | (561,465) | 325,416 |
| Adjusted for: | | |
| Depreciation | 404,916 | 399,941 |
| Decrease / (increase) in stock | (4,635) | (1,510) |
| Decrease / (increase) in trade and other receivables | 148,692 | (87,856) |
| Increase / (decrease) in trade and other payables | (302,277) | (294,981) |
| Net cash inflow (outflow) from operating activities | <u>(314,769)</u> | <u>341,011</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant & equipment | (6,722) | (337,160) |
| Cash used in investing activities | <u>(6,722)</u> | <u>(337,160)</u> |
| Cash flows from financing activities | | |
| Repayment of borrowing | (5,108) | (43,499) |
| Loans advanced | 250,000 | 0 |
| Capital Grants Received | 0 | 0 |
| Net cash flows used in financing activities | <u>244,892</u> | <u>(43,499)</u> |
| Net increase/(decrease) in cash & cash equivalents | <u>(76,599)</u> | <u>(39,648)</u> |
| Opening cash & cash equivalents | 285,425 | 325,073 |
| Closing cash & cash equivalents | <u>208,826</u> | <u>285,425</u> |
| Movement in cash and cash equivalents | <u>(76,599)</u> | <u>(39,648)</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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 2019) - (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, incorporated in the United Kingdom. The registered office is 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 temporarily 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, obtaining capital grants and recovery grants, together with achieving additional fundraising and careful cash flow management.

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 current financial year to date, the management accounts forecast for the remainder of the current financial year, the rolling cash flow forecast, funding commitments from Arts Council England and Liverpool City Council, and longer-term plans and forecasts for 2023, 2024 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES (continued)

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.

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.

THE BLUECOAT
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES (continued)

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% |

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 3 years unless there are any impairment losses to be recognised.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES (continued)

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.

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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.

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3 OTHER TRADING ACTIVITIES

| | Unrestrict ed Funds | Restricted Funds | Total 2023 | Total 2022 |
|----------------------------------|--------------------------------|-----------------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Income from rents and room hires | 304,938 | 0 | 304,938 | 259,568 |
| Government Grants | 0 | 0 | 0 | 65,519 |
| Catering Outlet Income | 466,608 | 0 | 466,608 | 282,930 |
| Box Office & Merchandise Income | 5,479 | 0 | 5,479 | 3602 |
| | 777,025 | 0 | 777,025 | 611,619 |

OTHER TRADING ACTIVITIES (PRIOR YEAR)

| | Unrestricted Funds | Restricted Funds | Total 2022 | Total 2021 |
|----------------------------------|-------------------------------|-----------------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Income from rents and room hires | 259,568 | 0 | 259,568 | 208,203 |
| Government Grants | 65,519 | 0 | 65,519 | 58,064 |
| Catering Outlet Income | 282,930 | 0 | 282,930 | 16,000 |
| Box Office & Merchandise Income | 3,602 | 0 | 3,602 | 285 |
| | 611,619 | 0 | 611,619 | 282,552 |

4 DONATION AND GIFTS INCOME

Income of £4,767 (2022:£2,293) represents unrestricted income from fundraising events and other donations received.

5 INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|----------------------------------|-------------------------------|-----------------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Revenue Grants | | | | |
| Arts Council England | 495,846 | 0 | 495,846 | 496,431 |
| Liverpool City Council | 150,000 | 0 | 150,000 | 150,000 |
| Project Grants | | | | |
| Arts | 0 | 257,245 | 257,245 | 299,963 |
| Participation | 108,843 | 300,256 | 409,099 | 223,903 |
| Other Income | | | | |
| Covid Recovery Grants | 0 | 19,494 | 19,494 | 424,451 |
| Capital Grant Release | 0 | 29,193 | 29,193 | 698,847 |
| Museums & Galleries Tax Relief | 32,629 | 0 | 32,629 | 36,489 |
| Other Charitable Activity Income | 28,048 | 0 | 28,048 | 4,996 |
| | 815,366 | 606,188 | 1,421,554 | 2,335,080 |

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INCOME FROM CHARITABLE ACTIVITIES (PRIOR YEAR)

| | Unrestricted Funds | Restricted Funds | Total 2022 | Total 2021 |
|----------------------------------|-----------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Revenue Grants | | | | |
| Arts Council England | 496,431 | 0 | 496,431 | 495,846 |
| Liverpool City Council | 150,000 | 0 | 150,000 | 150,000 |
| Project Grants | | | | |
| Arts | 2,500 | 297,463 | 299,963 | 43,850 |
| Participation | 92,120 | 131,783 | 223,903 | 110,200 |
| Other Income | | | | |
| Covid Recovery Grants | 424,451 | 0 | 424,451 | 610,264 |
| Capital Grant Release | 0 | 698,847 | 698,847 | 49,355 |
| Museums & Galleries Tax Relief | 36,489 | 0 | 36,489 | 12,500 |
| Other Charitable Activity Income | 4,996 | 0 | 4,996 | 43,913 |
| | <u>1,206,988</u> | <u>1,128,092</u> | <u>2,335,080</u> | <u>1,515,928</u> |

6 EXPENDITURE ON RAISING FUNDS

| | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|-----------------------------|-----------------------|---------------------|------------------|----------------|
| | £ | £ | | |
| Advertising and Marketing | 131,720 | 0 | 131,720 | 179,049 |
| Building running costs | 379,999 | 0 | 379,999 | 173,808 |
| Support costs (See note 9) | 196,827 | 0 | 196,827 | 176,553 |
| Fundraising and Development | 159,470 | 0 | 159,470 | 814 |
| Commercial Operations | 434,303 | 0 | 434,303 | 253,493 |
| | <u>1,302,319</u> | <u>0</u> | <u>1,302,319</u> | <u>783,718</u> |

EXPENDITURE ON RAISING FUNDS (PRIOR YEAR)

| | Unrestricted Funds | Restricted Funds | Total 2022 | Total 2021 |
|-----------------------------|-----------------------|---------------------|----------------|----------------|
| | £ | £ | | |
| Advertising and Marketing | 179,049 | 0 | 179,049 | 64,504 |
| Building running costs | 173,808 | 0 | 173,808 | 130,870 |
| Support costs (See note 9) | 176,553 | 0 | 176,553 | 183,653 |
| Fundraising and Development | 814 | 0 | 814 | 48,606 |
| Commercial Operations | 253,493 | 0 | 253,493 | 95,262 |
| | <u>783,718</u> | <u>0</u> | <u>783,718</u> | <u>522,895</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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7 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|----------------------------|-----------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Arts Programme | 87,227 | 257,245 | 344,472 | 529,800 |
| Participation | 118,628 | 300,256 | 418,885 | 258,675 |
| Support costs (See note 9) | 296,384 | 383,343 | 679,727 | 1,033,196 |
| Governance costs | 19,407 | 0 | 19,407 | 18,187 |
| | <u>521,647</u> | <u>940,844</u> | <u>1,462,492</u> | <u>1,839,857</u> |

EXPENDITURE ON CHARITABLE ACTIVITIES (PRIOR YEAR)

| | Unrestricted Funds | Restricted Funds | Total 2022 | Total 2021 |
|----------------------------|-----------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Arts Programme | 94,259 | 435,541 | 529,800 | 288,521 |
| Participation | 104,016 | 154,659 | 258,675 | 148,486 |
| Support costs (See note 9) | 654,441 | 378,755 | 1,033,196 | 857,446 |
| Governance costs | 18,187 | 0 | 18,187 | 15,510 |
| | <u>870,903</u> | <u>968,955</u> | <u>1,839,858</u> | <u>1,309,963</u> |

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:

| | 2023 | 2022 |
|----------------|---------------|---------------|
| | £ | £ |
| Auditor's fee | 10,903 | 10,300 |
| Other services | 768 | 880 |
| | <u>11,671</u> | <u>11,180</u> |

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9 SUPPORT COSTS

| Cost area | Costs of raising funds | Charitable activities | Charitable Activities Governance | Total 2023 | Total 2022 |
|--|------------------------|-----------------------|----------------------------------|----------------|------------------|
| | £ | £ | £ | £ | £ |
| Professional fees | 81,172 | 112,849 | 3,960 | 197,981 | 222,863 |
| Wages and salaries | 83,418 | 115,971 | 4,069 | 203,458 | 483,912 |
| Staff Expenses, Recruitment & Training | 9,251 | 12,861 | 451 | 22,563 | 8,101 |
| Bank charges | 1,504 | 2,091 | 73 | 3,668 | 2,492 |
| Depreciation | 0 | 403,715 | 0 | 403,715 | 397,512 |
| ICT Support, Telephone & Stationery | 8,638 | 12,009 | 421 | 21,068 | 22,730 |
| Loan Interest | 16,965 | 0 | 0 | 16,965 | 8,825 |
| Materials, Equipment & Sundry | 616 | 856 | 30 | 1,502 | 22,304 |
| Irrecoverable VAT | 0 | 19,376 | 0 | 19,376 | 48,634 |
| Bad debts written off | (4,737) | 0 | 0 | (4,737) | 0 |
| Audit fees | 0 | 0 | 8,161 | 8,161 | 8,000 |
| Board expenses | 0 | 0 | 2,242 | 2,242 | 2563 |
| | 196,827 | 678,726 | 19,407 | 895,961 | 1,227,936 |

SUPPORT COSTS (PRIOR YEAR)

| Cost area | Costs of raising funds | Charitable activities | Governance | Total 2022 | Total 2021 |
|--|------------------------|-----------------------|---------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Professional fees | 49,030 | 171,604 | 2,229 | 222,863 | 109,965 |
| Wages and salaries | 106,461 | 372,612 | 4,839 | 483,912 | 573,713 |
| Staff Expenses, Recruitment & Training | 1,782 | 6,238 | 81 | 8,101 | 4,917 |
| Bank charges | 548 | 1,919 | 25 | 2,492 | 2,064 |
| Depreciation | 0 | 397,512 | 0 | 397,512 | 301,817 |
| ICT Support, Telephone & Stationery | 5,001 | 17,502 | 227 | 22,730 | 19,438 |
| Loan Interest | 8,825 | 0 | 0 | 8,825 | 3,720 |
| Materials, Equipment & Sundry | 4,907 | 17,174 | 223 | 22,304 | 11,501 |
| Irrecoverable VAT | 0 | 48,634 | 0 | 48,634 | 0 |
| Bad debts written off | 0 | 0 | 0 | 0 | 21,182 |
| Audit fees | 0 | 0 | 8,000 | 8,000 | 7,905 |
| Board expenses | 0 | 0 | 2,563 | 2,563 | 389 |
| | 176,553 | 1,033,196 | 18,187 | 1,227,937 | 1,056,611 |

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.

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10 SALARIES AND WAGES

| | Average number of employees | |
|--|------------------------------------|------------------|
| | 2023 | 2022 |
| Group | No. | No. |
| Management, Development & Administration | 16 | 16 |
| Arts Programme | 32 | 22 |
| Technicians | 9 | 15 |
| Engagement | 16 | 19 |
| Trading Company | 8 | 5 |
| | 81 | 77 |
| | 2023 | 2022 |
| | £ | £ |
| Group | | |
| Wages and salaries | 1,075,203 | 1,032,938 |
| Social security costs | 70,264 | 70,504 |
| Pension costs | 21,359 | 20,969 |
| | 1,166,826 | 1,124,411 |

Salary costs includes severance and redundancy payments of £nil (2022: £nil) and seconded staff of £14,925 (2022: £54,732). 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.

No trustees received remuneration in 2023 or 2022. During the year one director (2022 – three) were reimbursed for travel expenses totalling £692 (2022 - £809).

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 Head of Projects and the Director of Marketing and Business Development. The total employee benefits of the leadership team were £130,504 (2022: £199,497).

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 in the year is as follows:

| | 2023 | 2022 |
|--------------------|-------------|-------------|
| £70,001 to £80,000 | 1 | 1 |

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**NOTES TO THE FINANCIAL STATEMENTS
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11 INTANGIBLE FIXED ASSETS (Group and Company)

| GROUP AND COMPANY | Branding and Website |
|------------------------------|---------------------------------|
| COST | £ |
| At 1 April 2022 | 45,635 |
| Additions | 0 |
| Disposals | 0 |
| At 31 March 2023 | 45,635 |
| DEPRECIATION | |
| At 1 April 2022 | 23,143 |
| Charge for year | 11,735 |
| Disposals | 0 |
| At 31 March 2023 | 34,878 |
| NET BOOK VALUE | |
| 31-Mar-23 | 10,757 |
| 31-Mar-22 | 22,492 |

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12 TANGIBLE FIXED ASSETS

| GROUP | Freehold Property | Property Improvements | Computer Equipment | Other Equipment | Furniture & Fixtures | TOTAL |
|-----------------------|--------------------------|------------------------------|---------------------------|------------------------|---------------------------------|--------------|
| COST | £ | £ | £ | £ | £ | £ |
| At 1 April 2022 | 12,284,205 | 707,405 | 182,036 | 385,421 | 448,102 | 14,007,169 |
| Additions | 500 | 0 | 5,278 | 944 | 0 | 6,722 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2023 | 12,284,705 | 707,405 | 187,314 | 386,365 | 448,102 | 14,013,891 |
| DEPRECIATION | | | | | | |
| At 1 April 2022 | 3,439,577 | 174,825 | 173,764 | 381,269 | 444,120 | 4,613,555 |
| Charge for year | 245,685 | 137,658 | 7,555 | 1,329 | 954 | 393,180 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2023 | 3,685,262 | 312,483 | 181,319 | 382,598 | 445,074 | 5,006,736 |
| NET BOOK VALUE | | | | | | |
| 31-Mar-23 | 8,599,443 | 394,923 | 5,994 | 3,766 | 3,028 | 9,007,156 |
| 31-Mar-22 | 8,844,628 | 532,579 | 8,272 | 4,152 | 3,982 | 9,393,613 |

| COMPANY | Freehold Property | Property Improvements | Computer Equipment | Other Equipment | Furniture & Fixtures | TOTAL |
|-----------------------|--------------------------|------------------------------|---------------------------|------------------------|---------------------------------|--------------|
| COST | £ | £ | £ | £ | £ | £ |
| At 1 April 2022 | 12,284,205 | 707,405 | 182,036 | 378,752 | 441,286 | 13,993,683 |
| Additions | 500 | 0 | 3,780 | 0 | 0 | 4,280 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2023 | 12,284,705 | 707,405 | 185,816 | 378,752 | 441,286 | 13,997,963 |
| DEPRECIATION | | | | | | |
| At 1 April 2022 | 3,439,577 | 174,825 | 173,764 | 376,827 | 437,304 | 4,602,297 |
| Charge for year | 245,685 | 137,658 | 7,181 | 502 | 954 | 391,979 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2023 | 3,685,262 | 312,483 | 180,945 | 377,330 | 438,258 | 4,994,277 |
| NET BOOK VALUE | | | | | | |
| 31-Mar-23 | 8,599,443 | 394,922 | 4,871 | 1,422 | 3,028 | 9,003,687 |
| 31-Mar-22 | 8,844,628 | 532,579 | 8,272 | 1,925 | 3,982 | 9,391,386 |

The freehold property and other assets are included at cost. The net book value of freehold property at 31 March 2023 is £8,559,443.

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

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13 INVESTMENTS

| | Group £ | Company £ |
|---------------------|--------------------------|----------------------------|
| Cost | | |
| As at 31 March 2022 | 0 | 1 |
| As at 31 March 2023 | <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 2023, its reserves stood at £5,729. 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 2023 were:

| | 2023 £ | 2022 £ |
|---------------|-------------------------|-------------------------|
| Turnover | 466,608 | 282,930 |
| Grant Income | 4,950 | 37,119 |
| Expenditure | (484,420) | (280,881) |
| Tax | 0 | (2,995) |
| Profit (Loss) | (12,861) | 36,173 |

14 STOCK

| | 2023 £ | 2022 £ |
|--------------|-------------------------|-------------------------|
| Group | | |
| Food & drink | 8,088 | 3,453 |

15 DEBTORS

Amounts due within one year:

| | 2023 £ | 2022 £ |
|---------------------------------------|-------------------------|-------------------------|
| Group | | |
| Trade debtors | 62,097 | 40,813 |
| Accrued income | 97,774 | 257,980 |
| Other debtors | <u>26,493</u> | <u>36,262</u> |
| | <u>186,364</u> | <u>335,056</u> |
| Company | | |
| Trade debtors | 47,386 | 30,823 |
| Accrued income | 97,774 | 257,980 |
| Other debtors | 21,415 | 31,184 |
| Amounts due to (from) group companies | <u>105,425</u> | <u>0</u> |
| | <u>272,000</u> | <u>319,987</u> |

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16 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|---------------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Group | | |
| Trade creditors | 84,965 | 160,352 |
| Deferred income | 14,027 | 246,807 |
| Social security and other taxes | 22,128 | 16,719 |
| Accruals and provisions | 65,353 | 64,869 |
| Loans | 86,571 | 82,835 |
| | <u>273,043</u> | <u>571,582</u> |
| Company | | |
| Trade creditors | 65,400 | 141,343 |
| Deferred income | 1,125 | 229,948 |
| Social security and other taxes | 15,868 | 10,774 |
| Accruals and provisions | 56,513 | 61,695 |
| Loans | 86,571 | 82,835 |
| Amounts due to (from) group companies | 0 | 16,288 |
| | <u>225,478</u> | <u>542,885</u> |

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

Within loans is £61,500 which relates to a concessionary loan provided by Liverpool City Council, which is interest free and is repayable by instalments. There is also a social investment loan from Livv Housing Group that is provided over a five-year term. There is a new loan from Social Investment Business for £250,000 over a five year term.

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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17 LIABILITIES: AMOUNTS FALLING DUE GREATER THAN ONE YEAR

| | 2023 | 2022 |
|-------------------------------|----------------|---------------|
| | £ | £ |
| Group | | |
| Deferred Capital Grant Income | 0 | 0 |
| Other loans | 303,517 | 62,361 |
| Total | <u>303,517</u> | <u>62,361</u> |
| Company | | |
| Deferred Capital Grant Income | 0 | 0 |
| Other loans | 303,517 | 62,361 |
| Total | <u>303,517</u> | <u>62,361</u> |

Included in the above total are the following items:

| | 2023 | 2022 |
|------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Maturity of debt: | | |
| Amounts falling due: | | |
| - In one year or less | 86,570 | 82,835 |
| - Between one and two years | 67,668 | 22,342 |
| - Between two and five years | 235,850 | 40,019 |
| | <u>390,088</u> | <u>145,196</u> |

18 FINANCIAL INSTRUMENTS

| | 2023 | 2022 |
|-------------------------------|-------------|-------------|
| | £ | £ |
| Group | | |
| Financial assets at cost | 368,696 | 584,219 |
| Financial liabilities at cost | 150,317 | 225,221 |
| Loan commitments at cost | 390,088 | 145,196 |
| Charity | | |
| Financial assets at cost | 343,495 | 559,146 |
| Financial liabilities at cost | 121,915 | 244,326 |
| Loan commitments at cost | 390,088 | 145,196 |

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19 RESTRICTED FUNDS

| | Balance as at 1st April 2022 £ | Movement in Funds | | Balance as at 31st March 2023 £ |
|---------------------------|---|-------------------|------------------|--|
| | | Income £ | Expenditure £ | |
| Group and Company | | | | |
| Building Development | 8,779,381 | 29,193 | 383,343 | 8,425,231 |
| Participation | 11,407 | 300,256 | 300,256 | 11,407 |
| Arts | 0 | 257,244 | 237,752 | 19,493 |
| My Bluecoat | 0 | 0 | 0 | 0 |
| Inhabit | 0 | 0 | 0 | 0 |
| Fundraising & development | 0 | 19,494 | 19,494 | 0 |
| | <u>8,790,788</u> | <u>606,188</u> | <u>940,845</u> | <u>8,456,131</u> |

RESTRICTED FUNDS (PRIOR YEAR)

| | Balance as at 1st April 2021 £ | Movement in Funds | | Balance as at 31st March 2022 £ |
|---------------------------|---|-------------------|------------------|--|
| | | Income £ | Expenditure £ | |
| Group and Company | | | | |
| Building Development | 8,459,289 | 698,847 | 378,755 | 8,779,381 |
| Participation | 34,283 | 131,783 | 154,659 | 11,407 |
| Arts | 44,712 | 297,463 | 342,175 | 0 |
| My Bluecoat | 65,235 | 0 | 65,235 | 0 |
| Inhabit | 23,215 | 0 | 23,215 | 0 |
| Fundraising & development | 4,916 | 0 | 4,916 | 0 |
| | <u>8,631,650</u> | <u>1,128,092</u> | <u>968,954</u> | <u>8,790,788</u> |

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 Esmee Fairburn, National Heritage Lottery Fund and Rayne.

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 Esmee Fairburn Foundation to deliver a new approach to dance and engagement in partnership with Liverpool Improvisation Collective.

Arts - Funding is received for a range of artistic commissions. This includes receipts from Garfield Weston and Ellerman Foundation.

Fundraising and Development - Arts Council England Catalyst funding to support the charity in developing more diverse sources of income.

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NOTES TO THE FINANCIAL STATEMENTS
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20 UNRESTRICTED FUNDS

| | Balance as at 1st April | Movement in Funds | | Balance as at 31st March |
|-------------------------|----------------------------|-------------------|------------------|-----------------------------|
| | 2022 £ | Income £ | Expenditure £ | 2023 £ |
| Group | | | | |
| General | 615,309 | 1,597,159 | 1,823,967 | 388,501 |
| Designated Unrestricted | 0 | 0 | 0 | 0 |
| | <u>615,309</u> | <u>1,597,159</u> | <u>1,823,967</u> | <u>388,501</u> |
| Company | | | | |
| General | 608,175 | 1,125,554 | 1,339,502 | 394,227 |
| Designated Unrestricted | 0 | 0 | 0 | 0 |
| | <u>608,175</u> | <u>1,125,554</u> | <u>1,339,502</u> | <u>394,227</u> |

UNRESTRICTED FUNDS (PRIOR YEAR)

| | Balance as at 1st April 2021 £ | Movement in Funds | | Balance as at 31st March 2022 £ |
|-------------------------|---|-------------------|------------------|--|
| | | Income £ | Expenditure £ | |
| Group | | | | |
| General | 449,031 | 1,820,899 | 1,654,621 | 615,309 |
| Designated Unrestricted | 0 | 0 | 0 | 0 |
| | <u>449,031</u> | <u>1,820,899</u> | <u>1,654,621</u> | <u>615,309</u> |
| Company | | | | |
| General | 453,070 | 1,556,233 | 1,401,128 | 608,175 |
| Designated Unrestricted | 0 | 0 | 0 | 0 |
| | <u>453,070</u> | <u>1,556,233</u> | <u>1,401,128</u> | <u>608,175</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| GROUP | Fixed Assets £ | Net Current Assets (Liabilities) £ | Long Term Liabilities £ | Total for Year 2023 £ |
|---------------------------|-------------------|--|----------------------------|--------------------------|
| Restricted Funds | | | | |
| Building Development | 8,994,366 | (569,134) | 0 | 8,425,232 |
| Participation | 0 | 11,407 | 0 | 11,407 |
| Arts | 0 | 19,493 | 0 | 19,493 |
| | <u>8,994,366</u> | <u>(538,234)</u> | <u>0</u> | <u>8,456,132</u> |
| Unrestricted Funds | 23,548 | 668,471 | (303,517) | 388,502 |
| Total Funds | <u>9,017,915</u> | <u>130,237</u> | <u>(303,517)</u> | <u>8,844,634</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS (PRIOR YEAR)

| GROUP | Fixed Assets £ | Net Current Assets (Liabilities) £ | Long Term Liabilities £ | Total for Year 2022 £ |
|---------------------------|-------------------|--|----------------------------|--------------------------|
| Restricted Funds | | | | |
| Building Development | 9,377,207 | (597,826) | 0 | 8,779,381 |
| Participation | 0 | 11,407 | 0 | 11,407 |
| Arts | 0 | 0 | 0 | 0 |
| | <u>9,377,207</u> | <u>(586,419)</u> | <u>0</u> | <u>8,790,788</u> |
| Unrestricted Funds | 38,898 | 638,772 | (62,361) | 615,309 |
| Total Funds | <u>9,416,105</u> | <u>52,353</u> | <u>(62,361)</u> | <u>9,406,097</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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS – Continued

| | Fixed Assets | Net Current Assets (Liabilities) | Long Term Liabilities | Total for Year 2023 |
|---------------------------|------------------|-------------------------------------|-----------------------|---------------------|
| COMPANY | £ | £ | £ | £ |
| Restricted Funds | | | | |
| Building Development | 8,994,366 | (569,135) | 0 | 8,425,231 |
| Participation | 0 | 11,407 | 0 | 11,407 |
| Arts | 0 | 19,494 | 0 | 19,494 |
| | <u>8,994,366</u> | <u>(538,235)</u> | <u>0</u> | <u>8,456,132</u> |
| Unrestricted Funds | 20,078 | 677,666 | (303,517) | 394,227 |
| Total Funds | <u>9,014,444</u> | <u>139,431</u> | <u>(303,517)</u> | <u>8,850,359</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS (PRIOR YEAR)

| | Fixed Assets | Net Current Assets (Liabilities) | Long Term Liabilities | Total for Year 2022 |
|-----------------------------|------------------|-------------------------------------|-----------------------|---------------------|
| COMPANY | £ | £ | £ | £ |
| Restricted Funds | | | | |
| Building Development | 9,377,207 | (597,826) | 0 | 8,779,381 |
| Participation | 0 | 11,407 | 0 | 11,407 |
| Arts | 0 | 0 | 0 | 0 |
| My Bluecoat | 0 | 0 | 0 | 0 |
| Inhabit | 0 | 0 | 0 | 0 |
| Fundraising and Development | 0 | 0 | 0 | 0 |
| | <u>9,377,207</u> | <u>(586,419)</u> | <u>0</u> | <u>8,790,788</u> |
| Unrestricted Funds | 38,898 | 638,772 | (62,361) | 615,309 |
| Total Funds | <u>9,416,105</u> | <u>52,353</u> | <u>(62,361)</u> | <u>9,406,097</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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. Please see note 10 which covers Trustees remuneration.

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 2023 the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases as at the reporting date as follows:

| | 2023 | 2022 |
|---|-------------|-------------|
| | £ | £ |
| Expiry date: | | |
| Not later than one year | 1,088 | 2,612 |
| Later than one year and not later than five years | 0 | 1,088 |

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 £21,359 (2022: £20,969).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

25 CAPITAL COMMITMENTS

At 31 March 2023 the charity had capital commitments as follows:

| | 2023 £ | 2022 £ |
|---|-------------------|-------------------|
| Contracted for but not provided in the financial statements: | | |
| Acquisition of property, improvements and fixtures and fittings | 0 | 9,001 |

26 PRIOR YEAR COMPARATIVE SOFA

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2022 £ | Total Funds 2021 £ |
|---|--------------|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Income | | | | | |
| Other trading activities | 3 | 611,619 | 0 | 611,619 | 282,550 |
| Donations and legacies | 4 | 2,293 | 0 | 2,293 | 2,604 |
| Income from charitable activities | 5 | 1,206,988 | 1,128,092 | 2,335,080 | 1,515,928 |
| Total | | 1,820,899 | 1,128,092 | 2,948,992 | 1,801,082 |
| Expenditure | | | | | |
| Expenditure on raising funds | 6 | 783,718 | 0 | 783,718 | 522,895 |
| Expenditure on charitable activities | 7 | 870,903 | 968,954 | 1,839,857 | 1,309,963 |
| Total | | 1,654,621 | 968,954 | 2,623,575 | 1,832,858 |
| Net incoming/(outgoing) resources for the year and net movement in funds | | 166,278 | 159,138 | 325,416 | (31,776) |
| Balance b/f | | 449,031 | 8,631,650 | 9,080,681 | 9,112,457 |
| Balance c/f | | 615,309 | 8,790,788 | 9,406,097 | 9,080,681 |