

**THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY**

**ANNUAL REPORT AND ACCOUNTS**

**for the year ended**

**31st March 2021**

**REGISTERED NUMBER: 02391543**

**CHARITY NUMBER: 702781**

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Annual Report and Accounts for the year ended 31st March 2021

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Contents	Page
Company Information	1
Report of the Trustees	2
Independent Auditor's Report	11
Consolidated Statement of Financial Activities	14
Consolidated and Company Balance Sheets	15
Consolidated Statement of Cash Flows	16
Notes to the Accounts	17

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# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Company Information for the year ended 31st March 2021

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Incorporated in England and Wales on 11th June 1999

**Company number:** 02391543

**Charity number:** 702781

**Trustees:** Rachel Higham (Chair)  
Prof. Dinah Birch  
Simon Sprince (resigned 9 September 2021)  
Emlyn Williams (resigned 23 November 2021)  
Prof. Joe Yates (resigned 7 October 2021)  
Matthew Balnaves  
Sheralee Lockhart  
Jernice Easthope (appointed 5 May 2020)  
Dr Richard Jones (appointed 27 April 2020, resigned 11<sup>th</sup> Nov 2021)

**Secretary:** Nicola Triscott (appointed 13<sup>th</sup> October 2021)

**Senior Staff:**

Chief Executive:	Nicola Triscott
Head of Programme:	Maitreyi Maheshwari
Head of Operations:	James Hammond

**Registered office:** The FACT Centre  
88 Wood Street  
Liverpool  
L1 4DQ

**Statutory auditor:** DSG  
43 Castle Street  
Liverpool  
L2 9TL

**Bankers:** Natwest Bank  
2-8 Church Street  
Liverpool L1 3BG

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Report of the Trustees for the year ended 31st March 2021

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The trustees, who are the directors of the charity, present their annual report and the audited accounts for the year ended 31st March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2019) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

### Governing document

The charity is a company limited by guarantee and registered as a charity with the Charity Commission. It is governed by its Memorandum and Articles of Association dated 26th March 1990, as subsequently amended by special resolutions dated, 12th June 1996, 27th September 1999, 8th January 2003, 19th April 2004 and 12<sup>th</sup> September 2019.

### Charitable Objective

FACT's charitable objective, as defined in the Articles of Association approved in September 2019, is to promote the arts and creative technology and to advance the education in this field for the benefit of the public.

### Public Benefit

The trustees of the charity are mindful of their particular responsibilities as outlined in Guidance Note "Charities and Public Benefit (2009), and consider that the charitable objectives have been discharged through the following activities:

- Free to access exhibitions within the FACT Centre building
- Free to access and low-cost workshops, events, and participatory projects that provide educational, participation and engagement objectives
- Free to access exhibitions and other expositions at other locations within the UK
- Free to access exhibitions that have toured internationally
- Free on-line content and digital interaction via the FACT website

The trustees believe that the charity genuinely discharges its duty of care relating to public benefit and will continue to undertake additional assessment to underline the charity's effectiveness in this respect.

### Appointment and retirement of trustees

Trustees are appointed to the board by resolution of the trustees of the board. There must be not less than seven and not more than fifteen trustees. The trustees who served during the year, together with any changes up to the date of approving this report are listed on page 1.

The usual term of office for a trustee is three years, at the end of which they shall retire. Trustees are eligible for reappointment by the board of Trustees for up to a further two terms, each of three years, unless a trustee is appointed to be Chair where another one term is permitted. No Trustee shall serve for more than nine consecutive years, unless the Trustees consider it would be in the best interests of FACT for a particular Trustee to continue to serve beyond that period and that Trustee is reappointed in accordance with the Articles.

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Report of the Trustees (continued) for the year ended 31st March 2021

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### Trustee recruitment, induction and training

New trustees are appointed after a recruitment process as part of which they will submit a written application. Prospective candidates are interviewed and proposed for appointment to the board. The full board makes the decision on the appointment of any new trustee. All new trustees are issued with an induction pack of information on FACT and its activities and are encouraged to attend events at the centre through regular invitations. Relevant training opportunities for trustees of cultural organisations are circulated on a regular basis.

### Risk management

The trustees are aware of the risks facing the charity by way of financial and strategic management and take appropriate steps to mitigate them. The Finance Sub Committee meets at regular intervals between Board meetings and proposals from these meetings are then put forward to the Board. A risk register is maintained and reviewed at every Board meeting.

The charity continues its strategy to develop an appropriate reserve and the Board is ensuring the charity prioritises the building of this fund over the coming years. The Board and the senior management are not complacent and recognise that continuous review of all risk areas is essential to ensure that the business operates on a sound financial footing both now and in the future.

Health and Safety issues in the building are continually monitored and appropriate action is taken. The charity has carried out full health and safety risk analysis on the operation, the health and safety and equal opportunities policy are included in the staff manual and all new recruits are given health and safety training appropriate to their position.

### Organisation

The board of trustees, who are also the directors of the charity, administer the charity and meets as necessary but not less than four times a year. The day-to-day operations of the charity are the responsibility of the Chief Executive and the Executive Team, named above, to whom the board of trustees have delegated authority for operational matters including finance, employment and development, within the overall strategy agreed by the board.

### Aims, Achievements and Performance during the Year

Renowned internationally and based in Liverpool, FACT inspires people with bold and experimental projects and exhibitions exploring art, technology, science and society. FACT nurtures a diverse future generation of artists, filmmakers, creative makers, imaginists and critical thinkers, and supports young people and emerging artists to gain confidence, skills and experience that can pave the way to more productive and enriching futures.

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Report of the Trustees (continued) for the year ended 31st March 2021

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FACT aims to provide:

- A world-leading programme of exhibitions and projects at the intersection of art, technology, science and society, offering inspiring extraordinary cultural and learning experiences for diverse audiences, particularly young people.
- Talent and career development opportunities, including residencies, commissions, mentoring, traineeships and training schemes for young and emerging artists and creative professionals.
- Unique opportunities for 11–17-year-olds from diverse backgrounds to participate in art and creative technology projects, exploring and creating new art and knowledge with social impact through collaboration with artists, scientists, and technologists.
- A diverse and skilled leadership and workforce, and a model of operation that is sustainable financially and environmentally.

These aims are each underpinned by a range of objectives and key performance indicators covering all aspects of the organisation's ambitions. FACT has weathered the uncertainty of COVID-19. We have kept steadfast in our mission - enriching and shaping lives through film, art and creative technology - by being resilient, flexible and responsive to the needs of our audiences. In the last year, we delivered 80+ learning sessions, worked with over 450 school children, supported 33 artists, and engaged global audiences of over 300,000 in the last year.

While the pandemic and the transition to new ways of working were extremely demanding on staff, the lockdowns had inadvertently positive effects in terms of triggering innovation and resourcefulness. New online commissions, participatory programmes, events activities and artist development programmes were developed, along with other forms of remote delivery of projects. When the building reopened, the team re-worked our exhibitions for a Covid-safe audience experience, introducing interactivity to eliminate the need for touch and to assist social distancing, such as motion sensor triggers, QR codes, the use of AR filters, etc.

For the year 2020/2021, FACT chose a programme theme of The Living Planet, which proved timely. Through exhibitions, new commissions, events, podcasts, videos, activities and learning projects, both online and in-person, The Living Planet looked at our relationship with the natural world, exploring ways in which wildlife, plant life and ecological systems respond to the impact of human actions. Although the building was closed at times, FACT remained open, providing events and activities online and offsite.

### **Exhibitions Programme**

#### **And Say the Animal Responded? (Exhibition, 12 August 2020 - 14 February 2021)**

FACT's major exhibition for 2020/21, postponed from its intended opening date in March, opened in August after the first pandemic lockdown. It then had an extended run though the year, allowing people to access it during periods between lockdowns.

The exhibition presented work by five international artist/artist groups: including a new sound-sculptural installation by Ariel Guzik (Mexico) and works by Amalia Pica (Argentina/UK) with Rafael Ortega (Mexico, Alexandra Daisy Ginsberg (UK), Demelza Kooij (Netherlands/UK) and Kuai Shen (Ecuador).

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Report of the Trustees (continued) for the year ended 31st March 2021

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And Say the Animal Responded? enabled visitors to encounter the (non-human) animal on its own terms, without placing human characteristics or logic onto the animal's behaviours and communications. Underpinning the exhibition were considerations of the ever-diminishing environments of the animal, and how human-centric behaviours and technologies govern the ways in which we encounter the creatures with whom we share our planet. The exhibition encouraged audiences to look at the world through very different eyes, suggesting that we need radically to rethink the way we engage with our ecosystems and how we construct our ideas of community.

"A captivating show that explores our fragile connection to other species" - The Guardian

### Broken Symmetries (International tour)

The exhibition Broken Symmetries: Art x Physics ran from 14 March - 31 May 2020 at the National Taiwan Museum of Fine Art, remaining open despite the pandemic and attracting 34,146 visitors. It opened in parallel at iMAL, Brussels, on 5 March and ran until 16 August 2020, with total visitor figures of 1490. The exhibition then toured to KUMU in Tallinn, Estonia, where it ran from 29 October 2020 - 21 February 2021.

### Public Programme

In addition to a programme of podcasts and online talks, activities and events, FACT's transformer summit moved online and was reworked as Framework for Resilience.

### Framework for Resilience (Discursive event)

Following the cancellation of FACT's first transformer summit in March 2020, Framework for Resilience was the first of a new series of discursive events. This three-part series of online conversations, concluding FACT's Year of the Living Planet, brought together activists, artists, researchers and educators to think about the world we are creating, the world we are destroying, the systems which will fall, and those which should prevail. The conversations were attended by 399 people.

"The series does not offer an answer to how we reverse the world's destruction - it never claimed it would. But it is a good place to start in the process of unlearning the colonial attitudes that underpin our systems of living. It offers a sense of community and common purpose that feeds resilience; the framework that might lead towards resistance." – Art Monthly

### Artist Development Programme

During the 2020/21 year, FACT ran remote residencies for 15 artists through three schemes:

FACT Together, set up in response to the financial uncertainty for artists caused by COVID-19, offered 10 early career artists living in the North of England a grant of £1,500 each, plus three months of support from the FACT team, to develop a new project to be presented online. Projects responded to FACT's 2020 theme of *The Living Planet*. A rich variety of work was produced, including games, an IGTV series, a lunar calendar poetry subscription, meditative AV works, and an interactive map. Some highlights of the reach of the artworks were Milda Baginskaite's IGTV series Global Challenges, which received over 5600 views, more than 400 people exploring Niloo Sharifi's The Magic Tree, and 338 people participating in Shonagh Short's online game PESTS.

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Report of the Trustees (continued) for the year ended 31st March 2021

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‘It helped develop my practice by allowing me to work in a way I've only dreamed of before and shown me the direction I want to take in future.’ - 2020 Participating Artist.

Our 2020 European Media Arts Residency Exchange artists, Carolin Liebl and Nikolas Schmid-Pfähler), who are based in Germany, had a remote residency with FACT through the first six months of the year, with the outputs shared online in November 2020 across a blog post and social media presence. A video documenting the artists' process and finished work was later produced.

The first year of the Jerwood Arts FACT Digital Fellowships scheme appointed three emerging creatives – Angele Chan, Tessa Norton and Yambe Tan - for this paid remote residency and artistic development opportunity. During their residency, the fellows received bespoke training, mentoring, crits, production support and research input from the team at FACT, the other Fellows, and an invited selection of wider collaborators, presenting their work in Spring 2021 when the centre reopened.

### **Learning Programme**

#### **Augmented Empathy (Participatory commission with young people)**

Artist collective Keiken (Hana Omori, Isabel Ramos and Tanya Cruz) developed a multi-layered participatory project called Augmented Empathy in a new collaborative commission with FACT's Learning team. In Augmented Empathy, Keiken explored the subversion of existing tools - in this case, Instagram filters - and how social media can be used as a space for exchange and artistic creation. The result was 4 Instagram filters which can be downloaded and used by anyone. With dance artist Sakeema Crook and CGI artist Ryan Vautier, Keiken then developed a series of live performances and this film installation using the filters.

#### **Learning Non-Human (Learning project for intergenerational group of young people and older adults)**

Young at Art engages with over-60s to creatively explore art, technology and culture towards an active notion of digital agency. It is run by FACT, Open Eye Gallery and the Happy Older People's Network, National Museums Liverpool.

FACT's Young at Art project for 2020/21 was Learning Non-Human, an intergenerational project developed by artist and former lawyer, Jack Tan, alongside local participants. Commissioned as part of FACT's Year of the Living Planet, the project gave participants the opportunity to explore Intergenerational Climate Justice and how future humans and non-humans will be affected by our current actions. FACT's Learning team and Tan worked alongside youth leaders at Team Oasis, Dingle to initiate the project, and participants were selected from FACT's Digital Ambassadors (over-60's group), and FACT's young people's programme. The project allowed the participants to continue regularly engaging with FACT throughout the Covid-19 pandemic and resulting lockdowns. The result of the project was a digital tool and online game, Non-Humans of Liverpool, that can be used to affect policymaking, which takes into account the voices of non-humans, such as birds, trees and flowers, that are affected by our organisations, lives and businesses. Participants were invited to play the game, assuming the roles of these non-human folk.



# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Report of the Trustees (continued) for the year ended 31st March 2021

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### Resolution (Learning programme for adults in prisons)

Funded by the Paul Hamlyn Foundation, this three-year programme brings together participants within the criminal justice system, artists and staff to collaboratively produce a series of new artworks, which critically explore their understanding and experience of the world, both within the criminal justice system and beyond. Whilst the prisons closed across the country due to the pandemic, the Learning team was still able to work remotely with a group of prisoners at HMP Altcourse. Artist Melanie Crean designed a self-led activity for the group of ex-military men engaged in the project. Melanie also led a session with policy makers and activists from The Howard League Penal Reform to test some of the ideas in her project, *The Machine to Unmake you*.

### Financial Review

The financial results for the year are set out on pages 14 to 31. The charity had net incoming resources on unrestricted funds of £180,377 (2020: £53,619). This strong financial performance reflects a number of non-recurrent impacts related to the Covid-19 pandemic: the closure of the building to the public for much of the financial year temporarily reduced estates running costs and allowed for a temporary reduction in staffing cost, with support of the coronavirus job retention scheme grant. However, earned income from events, hospitality and rental income were negatively impacted and will take some time to recover.

FACT Trading Limited is a wholly owned subsidiary company that provides events and hires services within the FACT building, as well as video production services. It made a profit of £Nil for the financial year (2020: £Nil), after allowing for a management fee payable to the Charity of £Nil (2020: £Nil), and a gift aid donation of £Nil (2020: £Nil).

### Going Concern

The financial statements have been prepared on a going concern basis. The organisation has been able to successfully negotiate the economic disruption caused by the Covid-19 pandemic through careful management of costs, obtaining funding commitments from core funders, together with additional fundraising and cash flow management.

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

### Reserves Policy

The trustees have adopted a financial policy that seeks to increase unrestricted reserves to a level of approximately £300,000, which presently represents two to three months of operating costs. The charity is also intending in future years to set aside designated funds for the purpose of maintaining the charity's asset base in good order through timely repair and replacement. The unrestricted reserve at the end of the year stood at £381,672 (2020: £201,295).

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Report of the Trustees (continued) for the year ended 31st March 2021

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At the year end the group had free reserves of £235,826 (2020: £83,782), consisting of unrestricted reserves of £381,672 and commitments for future depreciation of unrestricted fixed assets of £145,846. During the year the trustees designated £240,000 of unrestricted reserves for future capital expenditure needs, and a further £50,075 towards supporting artist residencies.

### Related Parties and Co-operation with other organisations

No Trustees receive remuneration from their work with the charity. Details of transactions with the Trustees and key management personnel are set out in Note 12. No connections between Trustees/senior managers have been disclosed during the year, and therefore no such related party transactions have been reported.

### Remuneration of key management personnel

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

### Changes in fixed assets

Movements in fixed assets are shown in note 14 to the accounts.

### Future Plans

Radical Ancestry is FACT's next annual theme: an exploration of race, migration and belonging. Three exhibitions/seasons are planned within this theme. The first will be curated by FACT's 2021 curator-in-residence Annie Jael Kwan. The second, curated by the FACT team, is titled Stories of Us. The third, with a theme of Global Futurisms, will be curated by our 2022 curator-in-residence (to be appointed). Building on the success of our online programme, residencies and commissions, in 2021-2023 and beyond, online commissions, public events and residencies will become continued and important parts of FACT's offer.

A new initiative by FACT, Cinema in the City will extend FACT's world-leading digital art and film programme beyond our doors, taking cinema into distinctive new corners of the city and offering film lovers a unique experience of film and location. Each film screening will be preceded by a short film produced by a local artist, curated by FACT's Programme team through a city-wide open call. By programming their work alongside larger titles, we offer new artists a culturally engaged audience, raising their profile and developing their practice. This platform supports our mission to inspire and nurture a diverse new generation of artists and film-makers, enabling emerging artists to gain confidence, skills and experience.

Responding to the difficult experience of young people and emerging creative professionals over the course of the pandemic, FACT has a renewed focus on supporting young people, particularly teenagers taking decisions that will affect the direction of their lives and those in their twenties starting out on their careers.

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Report of the Trustees (continued) for the year ended 31st March 2021

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Our initiatives for 2021/22 include:

- Kickstart – 6-month traineeships for unemployed 21-24 year-olds, funded by the Government's new Kickstart Scheme in Visitor Services and Building Operations.
- FACT FWD - exhibition technicians training programme, giving participants on-the job training in exhibition installation design, carpentry, AV, art handling, risk assessments and budgeting.
- FACT Fellowships – annual residencies for three UK-based emerging artists.
- FACT Together – online residencies for emerging artists in the North.
- Learning programme – participatory projects and work with schools

### Statement of trustees' responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Annual Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these accounts, the trustees 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Report of the Trustees (continued) for the year ended 31st March 2021

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### Trustees' statement of disclosure of information to the auditors

Each of the persons who is a trustee at the date of approval of this report confirm in so far as they are aware that:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

DSG have agreed to offer themselves for re-appointment as auditors of the charity, and a resolution for their reappointment will be proposed at the Annual General Meeting.

This report was approved by the Board of Trustees on 6<sup>th</sup> December 2021 and signed on its behalf by:



Rachel Higham  
Chair of the Board

# **Independent auditors' report to the members and trustees of The Foundation for Art and Creative Technology**

## **Opinion**

We have audited the financial statements of The Foundation for Art and Creative Technology (the 'parent charitable company') for the year ended 31st March 2021 which comprise the Consolidated Statement of Financial Activities (including Consolidated Income and Expenditure Account), the Group and Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, 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 charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 financial statements section of our report. We are independent of the Group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Group's or parent charitable company'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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and parent charitable company'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 parent charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## Capability of the audit in detecting irregularities, including fraud

Based on our discussions with the Group and parent charitable company's management and the Trustees, we identified that the following laws and regulations are significant to the Group and parent charitable company:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the Group and parent charitable company and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Andrew Moss BA FCA (Senior Statutory Auditor)

For and on behalf of DSG Chartered Accountants, Statutory Auditor  
Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

6<sup>th</sup> December 2021

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Consolidated Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31st March 2021

	Notes	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020 (Restated)
Income from:		£	£	£	£
Donations and legacies	2	1,125,380	0	1,125,380	1,133,681
Charitable activities	3	358,322	111,785	470,106	542,582
Other trading activities	4	900	0	900	33,414
Other income	5	112,058	0	112,058	0
<b>Total income</b>		<b>1,596,659</b>	<b>111,785</b>	<b>1,708,444</b>	<b>1,709,677</b>
<b>Expenditure on:</b>					
Raising funds	6	236,668	0	236,668	153,886
Charitable activities	7	1,179,614	207,025	1,386,639	1,597,412
<b>Total expenditure</b>		<b>1,416,282</b>	<b>207,025</b>	<b>1,623,307</b>	<b>1,751,298</b>
<b>Net income/(expenditure)</b>	10	<b>180,377</b>	<b>(95,240)</b>	<b>85,137</b>	<b>(41,621)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		201,295	3,664,374	3,865,669	3,907,290
<b>Total funds carried forward</b>		<b>381,672</b>	<b>3,569,134</b>	<b>3,950,806</b>	<b>3,865,669</b>

All income and expenditure relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 17 to 31 form part of these accounts.



# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Balance Sheets as at:  
31st March 2021

Company Number: 2391543

	Consolidated			Company	
	2021	2020 (restated)		2021	2020 (restated)
	£	£		£	£
<b>Fixed assets</b>					
Tangible Assets	3,676,158	3,795,847		3,676,158	3,795,847
Intangible Assets	11,361	18,935		11,361	18,935
Investments	0	0		1	1
	<b>3,687,519</b>	<b>3,814,782</b>		<b>3,687,520</b>	<b>3,814,783</b>
<b>Current assets</b>					
Debtors	197,585	466,564		203,893	477,814
Cash at bank and in hand	538,159	(40,487)		531,044	(41,419)
	<b>735,743</b>	<b>426,077</b>		<b>734,937</b>	<b>436,396</b>
<b>Creditors: amounts falling due within one year</b>					
	415,981	350,567		415,981	361,692
<b>Net current assets</b>	<b>319,763</b>	<b>75,510</b>		<b>318,956</b>	<b>74,704</b>
<b>Creditors: amounts falling due after more than one year</b>					
	56,475	24,624		56,475	24,624
<b>Total Net Assets</b>	<b>3,950,806</b>	<b>3,865,669</b>		<b>3,950,001</b>	<b>3,864,863</b>
<b>Charity Funds</b>					
Unrestricted funds - general	91,597	201,295		90,792	200,490
Unrestricted funds - designated	290,075	0		290,075	0
Restricted funds	3,569,134	3,664,374		3,569,134	3,664,374
<b>Total funds</b>	<b>3,950,806</b>	<b>3,865,669</b>		<b>3,950,001</b>	<b>3,864,864</b>

These accounts were approved by the trustees and authorised for use on 6<sup>th</sup> December 2021, and are signed on their behalf by:



Rachel Higham  
Chair of the Board

The notes on pages 17 to 31 form part of these accounts.

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Consolidated Statement of Cash Flows For the year ended 31st March 2021

	Notes	2021 £	2020 £
<b>Cash Flow from Operating Activities</b>	26	555,743	(7,192)
<b>Cash Flow from Investing Activities</b>			
Payments to acquire fixed assets		(12,504)	(36,777)
Gains (losses) on foreign currency exchange rates		0	(1,981)
Repayment of social investment loan		(14,594)	(13,604)
Receipt for Bounce Back Loan		50,000	0
<b>Net Cash Flow from Investing Activities</b>		22,902	(52,362)
Net increase (decrease) in cash in the year		578,646	(59,554)
Cash and cash equivalents at start of year		(40,487)	19,067
<b>Cash and cash equivalents at end of year</b>		<b>538,159</b>	<b>(40,487)</b>
Cash and cash equivalents consist of:			
Cash at bank and in hand		538,159	(40,487)

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

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### 1. Summary of significant accounting policies

#### (a) General information and basis of preparation

The Foundation for Art and Creative Technology is a limited company by guarantee and a registered charity in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### (b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### (c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

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### 1. Summary of significant accounting policies (continued)

#### (c) Income recognition (continued)

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government and other grants in respect of specific projects and to support general revenue requirements. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as bank deposits and is primarily in the form of interest. It is included when the amount can be measured reliably using the effective interest method.

#### (d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds.
- Expenditure on charitable activities.
- Other expenditure represents those items not falling into the categories above.

#### (e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the FACT centre. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on the basis of space used by the various charitable activities and other overheads have been allocated on the basis of staff numbers.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 8.

#### (f) Fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

---

### 1. Summary of significant accounting policies (continued)

#### (f) Fixed assets (continued)

Depreciation is provided on all tangible fixed assets with a purchase cost in excess of £400, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Long leasehold premises	2% per annum after impairment, net of the cost of land
Leasehold Improvements	10% per annum
Exhibitions & collaboration equipment	15% per annum
Film and video equipment	25% per annum
Fittings and office equipment	25% per annum

Intangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated amortisation over an economic life of 5 years unless there are any impairment losses to be recognised.

#### (g) Investments

Investments in subsidiaries are measured at cost less impairment.

#### (h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### (i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

#### (j) Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

#### (k) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

#### (l) Operating leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

### 1. Summary of significant accounting policies (continued)

#### (m) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

#### (n) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

#### (o) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### (p) Going concern

The financial statements show a net current asset position of £319,763 (2020: £122,778). The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern. Having regard to this matter, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

<b>Note 2 - Income from Donations and Legacies</b>		<b>Unrestricted Funds</b>	
		<b>Total 2021</b>	<b>Total 2020</b>
		<b>£</b>	<b>£</b>
<b>Revenue Grants</b>			
Arts Council England		1,024,418	1,005,909
Liverpool City Council		99,164	124,164
<b>Donations</b>			
Unrestricted Donations		1,798	3,608
		1,125,380	1,133,681

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

<b>Note 3: Income from Charitable Activities</b>					
		<b>Grants</b>	<b>Other earned income</b>	<b>Total</b>	<b>Total</b>
		<b>2021</b>	<b>2020</b>		
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income receivable</b>					
Exhibitions & commissions		49,054	76,785	125,839	113,922
Learning and Participation Programme		4,374	50,075	54,449	112,267
Media services		0	31,209	31,209	29,859
Recharges to third parties		0	178,940	178,940	237,506
Museums & Galleries Tax Relief		0	21,312	21,312	49,028
Cultural Recovery Fund		58,357	0	58,357	0
		<b>111,785</b>	<b>358,322</b>	<b>470,106</b>	<b>542,582</b>

		<b>Deferred income</b>			
		<b>Brought forward</b>	<b>Carried forward</b>	<b>Total</b>	<b>Total</b>
	<b>Received</b>			<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Project grants - restricted funds</b>					
Exhibitions & commissions	9,193	73,381	33,520	49,054	83,231
Learning and Participation Programme	4,374	0	0	4,374	101,118
Cultural Recovery Fund	58,357	0	0	58,357	0
	<b>71,924</b>	<b>73,381</b>	<b>33,520</b>	<b>111,785</b>	<b>184,349</b>
<b>Other earned income - unrestricted funds</b>					
Exhibitions & commissions	76,785	0	0	76,785	30,691
Learning and Participation Programme	50,075	0	0	50,075	11,148
Media services	31,209	0	0	31,209	29,859
Recharges to third parties	178,940	0	0	178,940	237,506
Museums & Galleries Tax Relief	21,312	0	0	21,312	49,028
Other Income	0	0	0	0	0
	<b>358,322</b>	<b>0</b>	<b>0</b>	<b>358,322</b>	<b>358,233</b>

<b>Note 4: Income from other Trading Activities</b>			<b>Unrestricted Funds</b>	
			<b>2021</b>	<b>2020</b>
			<b>£</b>	<b>£</b>
Events Management			900	33,414
<b>Note 5: Other Income</b>			<b>Unrestricted Funds</b>	
			<b>2021</b>	<b>2020</b>
			<b>£</b>	<b>£</b>
Job Retention Scheme Grant			112,058	0

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

### Note 6: Expenditure on Raising Funds

	Direct	Support	Total	Total
	Costs	Costs	2021	2020
	£	£	£	£
Commercial Operations	30,558	87,781	118,339	63,272
Fundraising and Development	45,009	73,320	118,329	90,614
	75,567	161,101	236,668	153,886

### Note 7: Expenditure on Charitable Activities

	Direct	Support	Total	Total
	Costs	Costs	2021	2020
	£	£	£	£
Exhibition & Commissions	354,525	508,314	862,838	959,273
Learning and Participation Programme	115,574	349,870	465,444	638,139
Cultural Recovery Fund	54,620	3,737	58,357	0
	524,718	861,921	1,386,639	1,597,412

£159,757 (2020: £279,589) of the above costs were attributable to restricted funds and £1,226,882 (2020: £1,317,823) of the above costs were attributable to unrestricted funds.

### Note 8: Allocation of Support Costs

	Raising Funds £	Exhibition & Commissions £	Learning Programme £	Commercial Operations £	Total £
Staff Costs	52,336	235,513	157,009	26,168	471,026
Staff-related Expenses	73	330	220	37	661
Premises and Insurance Costs	5,681	142,021	99,415	36,925	284,042
Marketing Costs	1,329	11,959	11,959	1,329	26,575
Depreciation	2,729	68,215	47,750	17,736	136,429
Office and IT Costs	9,343	42,046	28,030	4,672	84,091
Governance Costs	1,829	8,231	5,487	915	16,462
	73,320	508,314	349,870	87,781	1,019,285

### Bases of cost allocations

Property and depreciation costs are allocated firstly on the basis of space to the charitable activities and to support costs in respect of all shared space. Marketing costs are allocated on the basis of the estimated share of the value of the services to each of the main charitable areas. Other costs are allocated on the basis of staff numbers.



# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

For comparison, the prior year allocation of support costs was as follows:

<b>Note 8: Allocation of Support Costs - 2019/20</b>					
	Commercial Operations £	Raising Funds £	Exhibition & Commissions £	Learning Programme £	Total £
Staff Costs	-	20,620	206,199	185,579	412,398
Staff-related Expenses	1,272	288	2,880	2,592	7,033
Premises and Insurance Costs	-	17,858	178,577	160,719	357,154
Marketing Costs	-	1,410	14,104	12,693	28,208
Depreciation	-	7,035	70,351	63,316	140,702
Office and IT Costs	923	4,686	46,855	42,170	94,633
Governance Costs	-	663	6,627	5,964	13,254
	2,195	52,559	525,593	473,034	1,053,382

<b>Note 9: Governance Costs</b>		<b>2021</b>	<b>2020</b>
		£	£
Board Expenses		0	1,141
Auditor's Remuneration		6,750	5,000
Governance Support Costs		9,712	7,113
		16,462	13,254

<b>Note 10: Net Income/Expenditure for the Year</b>		<b>2021</b>	<b>2020</b>
		£	£
This is stated after charging:			
Auditor's Remuneration			
- Audit Fees		6,750	5,000
- Non audit services		0	1,255
Depreciation of intangible and tangible fixed assets		136,869	140,702
Operating Lease Rentals		1,180	6,272
		144,799	153,229

## Note 11: Auditors Remuneration

The Auditor's remuneration amounts to an audit fee of £6,750 (2020: £5,000).

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

### Note 12: Trustees' and key management personnel remuneration and expenses

None of the trustees (or any persons connected with them) received or waived any remuneration during the year (2020 - £Nil).

Travel expenses totalling £Nil (2020 - £Nil) were reimbursed to trustees during the year.

<b>Note 13: Staff Costs</b>		<b>2021</b>		<b>2020</b>
		<b>£</b>		<b>£</b>
Staff Costs for the Year were as follows:				
Salaries and Wages		673,908		648,851
Social Security Costs		56,779		53,249
Defined Contribution Pension Costs		13,648		12,221
		744,335		714,321
		<b>2021</b>		<b>2020</b>
		<b>Number</b>		<b>Number</b>
The Average Number of Employees on a headcount basis were as follows:				
Fundraising and Development		2		2
Direct Charitable Activities		12		14
Commercial Operations		4		3
Support Activities		10		12
Casual Staff		10		10
		38		40
The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:				
		<b>2021</b>		<b>2020</b>
		<b>Number</b>		<b>Number</b>
£60,001 to £70,000		0		1
£70,001 to £80,000		1		0

The trustees consider the key management personnel to be the Chief Executive, together with the Head of Operations and the Head of Programme. The total amount of employee benefits received by key management personnel in the year was £164,072 (2020: £101,955).

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

Note 14: Tangible Fixed Assets						
Group and Company	Leasehold premises	Lease Improvements	Exhibitions and collaboration equipment	Film and video equipment	Office and IT Equipment	Total
	£	£	£	£	£	£
<b>Cost or Valuation</b>						
As at 31/03/2020	9,198,165	209,731	182,546	360,252	125,890	10,076,584
Additions	0	0	12,504	0	0	12,504
Disposals	0	(3,458)	(148,617)	(262,336)	(53,335)	(467,746)
<b>As at 31/03/2021</b>	<b>9,198,165</b>	<b>206,273</b>	<b>46,433</b>	<b>97,916</b>	<b>72,555</b>	<b>9,621,342</b>
<b>Depreciation</b>						
As at 31/03/2020	5,548,165	108,806	159,938	359,767	104,061	6,280,737
Charge for the period	90,000	21,663	6,413	440	10,780	129,296
Disposals	0	(3,458)	(147,381)	(262,291)	(51,719)	(464,849)
<b>As at 31/03/2021</b>	<b>5,638,165</b>	<b>127,011</b>	<b>18,970</b>	<b>97,916</b>	<b>63,122</b>	<b>5,945,184</b>
<b>Net Book Value</b>						
As at 31/03/2020	3,650,000	100,925	22,608	485	21,829	3,795,846
<b>As at 31/03/2021</b>	<b>3,560,000</b>	<b>79,262</b>	<b>27,463</b>	<b>0</b>	<b>9,433</b>	<b>3,676,158</b>

The estimated value of the land included in the leasehold's premises that is not being depreciated is £500,000 (2020: £500,000).

Note 14 continued: Intangible Fixed Assets	
Group and Company	Intangible Assets
	£
<b>Cost or Valuation</b>	
As at 31/03/2020	37,870
Additions	0
Disposals	0
<b>As at 31/03/2021</b>	<b>37,870</b>
<b>Depreciation</b>	
As at 31/03/2020	18,935
Charge for the period	7,574
Disposals	0
<b>As at 31/03/2021</b>	<b>26,509</b>
<b>Net Book Value</b>	
As at 31/03/2020	18,935
<b>As at 31/03/2021</b>	<b>11,361</b>

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

<b>Note 15: Fixed Asset Investment</b>					
The investment of £1 represents the whole of the issued share capital of FACT Trading Ltd, a subsidiary company which manages the commercial activities within the FACT Centre. The company is currently dormant.					
<b>Subsidiary Company</b>		<b>2021</b>		<b>2020</b>	
		<b>£</b>		<b>£</b>	
Turnover		0		63,272	
Cost of Sales		0		61,077	
Gross Profit		0		2,195	
Administration Expenses		0		2,195	
Gift to Charity		0		0	
Net Profit (Loss) before Taxation		0		0	
Taxation		0		0	
Net Profit (Loss) after Taxation		0		0	
Current Assets		7,115		12,797	
Creditors Due within One Year		6,309		11,991	
Total Net Assets		806		806	

<b>Note 16: Debtors</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fees Receivable	41,571	182,832	41,571	170,967
Grants and Accrued Income	109,178	226,463	109,178	226,463
Other Taxes	16,682	(7,216)	18,164	(2,049)
Amounts owed from Group Undertaking	0	0	4,827	17,948
Other Debtors	0	0	0	0
Prepayments	30,153	64,485	30,153	64,485
	197,585	466,564	203,893	477,814

<b>Note 17: Creditors</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade Creditors	57,089	23,767	57,089	34,892
Other taxation and social security	14,241	13,838	14,241	13,838
Accruals	25,108	5,774	25,108	5,774
Amounts owed to Group Undertaking	0	0	0	0
Social Investment Loan	15,649	14,593	15,649	14,593
Bounce Back Loan	2,500	0	2,500	0
Other Creditors	(359)	2,491	(359)	2,491
Grants and deferred income	301,752	290,103	301,752	290,103
	415,981	350,567	415,981	361,692

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

<b>Note 18: Amounts falling due greater than one year</b>				
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Group</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Elaine Riley Bursary Fund	3,500	3,500	3,500	3,500
Bounce Back Loan	47,500	0	47,500	0
Social Investment Loan	5,475	21,124	5,475	21,124
	56,475	24,624	56,475	24,624
Maturity of Debt:				
Amounts falling due:				
- in one year or less	18,149	14,593	18,149	14,593
- between one and two years	15,475	15,649	15,475	15,649
- between two and five years	37,500	5,475	37,500	5,475
	71,124	35,717	71,124	35,717

The social investment loan is a £70,000 loan issued in August 2017 with a five-year repayment term. It is an unsecured loan with a 7% interest rate.

<b>Note 19: Operating Lease Commitments</b>				
Total future minimum lease payments under non-cancellable operating leases are as follows:				
			<b>2021</b>	<b>2020</b>
			<b>£</b>	<b>£</b>
Within one year			1,180	3,099
Two to five years			374	3,173
			1,554	6,272

<b>Note 20: Deferred Income</b>	
	<b>£</b>
As at 1st April 2020	290,103
Additions during the year	159,648
Amounts released to income	(147,999)
As at 31st March 2021	301,752

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

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<b>Note 21: Accrued Funding Commitment</b>	
	<b>£</b>
As at 1st April 2020	226,463
Additions during the year charged to income	60,150
Amounts released to income	(177,435)
As at 31st March 2021	109,178

## **Note 22: Contingent Liabilities**

### **Capital Grants**

Grants may be repayable in certain circumstances for example in the event that the building is not used as an arts centre for public benefit or if all the conditions attached to any grant have not been met in full.

In addition, The Arts Council of England has taken a fixed charge over the building (charge registered 5th January 2001) and a floating charge over the other assets of the charity. The terms of a grant provided by the Arts Council for England prohibit the charity from disposing of its interests in the building without their prior consent.

The trustees do not expect any liability to repay grants to crystallise and therefore no provision is made.

## **Note 23: Lease with City Screen Liverpool**

FACT has granted a 25-year lease to City Screen Liverpool Limited, a wholly owned subsidiary of Cineworld Group plc, to let part of its property on a profit-sharing rent arrangement. The lease began in February 2003, when the FACT Centre opened. Under the terms of the lease, City Screen Liverpool Ltd must provide a cultural cinema programme at the FACT Centre. It is due to come to an end in February 2028.

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

Note 24: Fund Reconciliation					
	Balance	Incoming	Resources	Transfers	Balance
Unrestricted Funds	31/03/2020	Resources	Expended		31/03/2021
	as restated				
	£	£	£	£	£
<u>Group</u>					
General Funds	201,295	1,596,659	1,416,282	(290,075)	91,597
Designated Funds	0	0	0	290,075	290,075
	201,295	1,596,659	1,416,282	0	381,672
<u>Company</u>					
General Funds	200,490	1,596,659	1,416,282	(290,075)	90,792
Designated Funds	0	0	0	290,075	290,075
	200,490	1,596,659	1,416,282	0	380,867
	Balance	Incoming	Resources	Transfers	Balance
Restricted Funds	31/03/2020	Resources	Expended		31/03/2021
	£	£	£	£	£
<u>Group and Company</u>					
Exhibitions & commissions	0	49,054	49,054	0	0
Learning and Participation Programme	0	4,374	4,374	0	0
Other Income	0	58,357	58,357	0	0
Capital Grants	3,664,374	0	95,240	0	3,569,134
	3,664,374	111,785	207,025	0	3,569,134

Restricted grants represent amounts received from various funders to support particular projects, all of which having been expended during the year.

During the year the trustees designated £240,000 of unrestricted reserves for future capital expenditure needs. This is for essential works to maintain the FACT building as a welcoming, accessible, safe and efficient building. Planned capital works include upgrades to public toilets, creating an education space, and installing an LED window that can showcase artist works and increase the visibility of the building. A further £50,075 was also designated towards supporting artist residencies.

# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

<b>Note 25: Analysis of net assets between funds</b>			
Fund balances at 31st March 2021 are represented by:			
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>
<b>Group</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	118,385	3,569,134	3,687,519
Cash	538,159	0	538,159
Social Investment Loan	(21,124)	0	(21,124)
Bounce Back Loan	(50,000)	0	(50,000)
Elaine Riley Bursary Fund	(3,500)	0	(3,500)
Other current (liabilities)/assets	(200,247)	0	(200,247)
	<b>381,672</b>	<b>3,569,134</b>	<b>3,950,806</b>
<b>Company</b>			
Fixed assets	118,385	3,569,134	3,687,519
Investments	1	0	1
Cash	531,044	0	531,044
Social Investment Loan	(21,124)	0	(21,124)
Bounce Back Loan	(50,000)	0	(50,000)
Elaine Riley Bursary Fund	(3,500)	0	(3,500)
Other current (liabilities)/assets	(193,939)	0	(193,939)
	<b>380,867</b>	<b>3,569,134</b>	<b>3,950,001</b>

<b>Note 26: Reconciliation of net movement in funds to net cash flow from operating activities</b>			
	<b>2021</b>		<b>2020</b>
	<b>£</b>		<b>£</b>
Net income (expenditure) for year	37,869		(41,621)
Depreciation of fixed assets	136,870		140,704
(Profit)/loss on disposal of fixed assets	2,897		0
(Increase)/decrease in debtors	268,979		(45,432)
Increase / (decrease) in creditors excluding loan repayments	109,127		(60,843)
Net cash flow from operating activities	<b>555,743</b>		<b>(7,192)</b>

### Note 27: Constitution

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up, the members are committed in contributing £1 each.

### Note 28: Pensions

The company operates a number of money purchase pension plans on behalf of the employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,648 (2020: £12,221).



# THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

## Notes to the Accounts

Year ended 31st March 2021

### Note 29: Related Party Transactions

The company is controlled by its directors whose names are shown on page 1.

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.

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

### Note 30: Prior Year Comparative Statement of Financial Activities

	Unrestricted Funds	Restricted Funds	Total 2020
	as restated		as restated
Income from:	£	£	£
Donations and legacies	1,133,681	0	1,133,681
Charitable activities	358,233	184,349	542,582
Other trading activities	33,414	0	33,414
Other income	0	0	0
<b>Total income</b>	<b>1,525,327</b>	<b>184,349</b>	<b>1,709,677</b>
<b>Expenditure on:</b>			
Raising funds	153,886	0	153,886
Charitable activities	1,317,823	279,589	1,597,412
<b>Total expenditure</b>	<b>1,471,708</b>	<b>279,589</b>	<b>1,751,298</b>
<b>Net income/(expenditure)</b>	<b>53,619</b>	<b>(95,240)</b>	<b>(41,621)</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward	147,676	3,759,614	3,907,290
<b>Total funds carried forward</b>	<b>201,295</b>	<b>3,664,374</b>	<b>3,865,669</b>

### Prior Period Adjustment

In accordance with the Charities SORP (FRS 102) income must only be recognised to the extent that the charity has provided the specified services as entitlement to the grant only occurs when the performance conditions are met. In a prior period, the charity has incorrectly recognised income of £47,268 in respect of funding where the grant has performance related conditions and therefore a prior period adjustment has been processed to correct this. The adjustment has had the effect of reducing closing unrestricted funds at 31 March 2019 by £47,268.