

Charity registration number 702781

Company registration number 02391543 (England and Wales)

FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY) COMPANY
LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

COMPANY

Trustees	Matthew Balnaves Ruth Catlow Alvaro Costela Sanchez Chloe Courtney Jernice Easthope Maleka Egeonu-Roby Sheralee Lockhart Lisa Middleton Bea Freeman Suzie Lawes (Chair)	(Appointed 22 February 2022) (Appointed 22 February 2022) (Appointed 22 February 2022) (Appointed 22 February 2022) (Appointed 22 February 2022) (Appointed 17 May 2022) (Appointed 13 September 2022)
Secretary	Nicola Triscott	
Senior staff		
Chief Executive	Nicola Triscott	
Head of Programme	Maitreyi Maheshwari	
Head of Business & Operations	James Hammond	
Charity number	702781	
Company number	02391543	
Registered office	The FACT Centre 88 Wood Street Liverpool L1 4DQ	
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	
Bankers	Natwest Bank City Office 2-8 Church Street Liverpool L1 3BG	

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
LIMITED BY GUARANTEE
CONTENTS**

COMPANY

	Page
Trustees' report	1 - 8
Statement of trustees' responsibilities	9
Independent auditor's report	10 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 32

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

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).

Objectives and activities

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 have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake 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.

Aims, Achievements and Performance during the Year

FACT is a world-leading centre for contemporary art, film and the creative use of technology. Located in the heart of Liverpool, we are a friendly social space working with artists and people to create transformative experiences that spark the imagination and enrich lives. As a place to help make sense of the world today, FACT provides opportunities across a variety of platforms for people to create, interact and listen. We champion new ideas and experiences, nurturing a diverse future generation of artists, filmmakers, creative makers, imaginists and critical thinkers, and supporting young people and emerging artists to gain confidence, skills and experience.

FACT aims to provide:

- A world-leading programme of exhibitions and projects at the intersection of art, film, technology, 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.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

COMPANY

2021/22 has seen FACT able to return to a more normal cycle of exhibitions and other programming and rebuild its audiences, many of whom had had some nervousness about returning to public venues and social activities. When we re-opened in May 2021 after the long Winter lockdown, around 31% of our usual audience numbers returned (in line with the other cultural venues in Liverpool). This grew through 2021 to around 63%, although rapidly rising rates of Covid and the Omicron variant led to a decline in visitor numbers in November and December. Numbers started to build again from January to March 2022.

For the years 2021 and 2022, FACT has chosen the programme theme Radical Ancestry. Through exhibitions, new commissions, events, podcasts, videos, activities and participatory projects, both online and in-person, Radical Ancestry is exploring and examining ideas of belonging and the ways in which we understand and construct who we are. It reconsiders the roles which both our biological and cultural heritages play in shaping our identities. Whilst the Liverpool Biennial exhibition provided a transition point between our 2020 theme The Living Planet and the Radical Ancestry theme, with exhibitions by Zheng Bo and B.O.S.S. resonating with each theme respectively, the first exhibition in our Radical Ancestry programme was Future Ages Will Wonder, which opened in Autumn 2021.

Exhibitions

Liverpool Biennial 2021: The Stomach and the Port. Artists: Black Obsidian Sound System (B.O.S.S) / Zheng Bo (19 May - 29 August 2021)

The exhibition marked FACT's reopening after the very long lockdown. As part of the citywide Biennial, the opening weekend in May and live weekend in June drew many national visitors to the city.

Feedback for the Biennial shows was overwhelmingly positive, with many noting the experimentation in curation within the foyer and Gallery 1 spaces and the focus on the voice of the artists. Other frequent feedback focused on the importance and urgency of the topics discussed (as well as the care with which they were presented), and the emotional and sensual impact of the artworks. Gallery 1 also doubled as a sensory experience for some of our much younger visitors.

The major shows were accompanied by a physical manifestation of our FACT Together residency projects, giving visitors the chance to learn more about our online and residency programmes. Working with the artists, we produced ten posters enhanced with an AR portal into the artworks made during lockdown, as well as a short film which covered the development of each project and their experiences as FACT resident artists.

Soft Boys. Artist: Kiara Mohamed (19 May - 29 August 2021)

Shown in parallel with the Liverpool Biennial, FACT commissioned a solo exhibition, Soft Boys, by Liverpool-based artist Kiara Mohamed, curated by Fauziya Johnson. The exhibition showcased recent and new work by Mohammed, linking to an online resource of older film work and queer/trans activist research undertaken by the artist.

FACT Together. Artists: Day Mattar / Elle Bulger / Gregory Herbert / Jessica El Mal / MICHAELBRAILEY with Callum Coomber / Milda Baginskaite / nil00 / Shonagh Short / Tammy Reynolds / Uma Breakdown (19 May - 29 August 2021)

During the first national lockdown in 2020, FACT Together provided a platform for ten artists based in the North of England to create and present work online. Each artist selected made a new work in response to The Living Planet, FACT's programme theme for 2020. In this exhibition, stills and photographs from each artwork were presented, animated by an AR (augmented reality) layer.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

COMPANY

Uncertain Data. Artists: Andrius Arutjunian, Angela Chan, Tessa Norton, Yambe Tam (15 September - 3 October 2021)

An exhibition of works-in-progress by four of FACT's artists-in-residence, including sound experiences, VR games, ecological comic books and works with online elements. The focus of the projects range from research into border control and the bias of technology, to issues of water scarcity, climate change, and the erasure of identity.

Future Ages will Wonder. Artists: Larry Achiampong & David Blandy, Yarli Allison, Miku Aoki, Trisha Baga, Breakwater, Ai Hasegawa, Boedi Widjaja. Curator: Annie Jael Kwan (27 October 2021 - 20 February 2022)

Future Ages Will Wonder was curated by FACT's 2021 curator-in-residence, Annie Jael Kwan, and presented an 'alternative museum' of artworks that use science and technology to question our past and offer new ways of understanding who we are and where we belong. It featured artworks by nine UK and international artists that presented personal narratives and reimagined stories that reshape understanding of archaeology, botany, genetics and the use of technology in our daily lives, using both traditional media such as textiles, sculpture, and photography and new media of virtual reality, computer algorithms and synthetic DNA. Many of the artists have collaborated with scientific researchers as they developed their works.

The exhibition was provocatively titled after a quote by the Greek statesman Pericles, who made this declaration when Athens - at the height of its glory - was about to venture into war with Sparta. Whilst we continue to admire Athens's architecture, culture, and democracy, soon after Pericles' boast, Athens was devastated by a mysterious epidemic, in which tens of thousands of people died (including Pericles), and the Spartans defeated Athens, imposing a short-lived but murderous oligarchy. It is a cautionary tale.

Film Programme

During the year, FACT organised an itinerant film programme in unusual locations across the city region. Over several weekends across the year, Cinema in The City gave audiences the opportunity to view current titles in new contexts and offered experience-seekers the chance to do things in places they wouldn't normally have access to or usually associate with cultural activity. The programme aimed to lay a strong foundation of film programming, working towards a future when FACT can take control of cinema operations within the building. Each evening's event comprised the screening of a feature film or documentary, preceded by a short film produced by an artist or emerging filmmaker, selected through an open call. Each event was accompanied by catering provided by a local Liverpool company or organisation.

FACT's Community Cinema programme, providing a highly subsidised opportunity for individual filmmakers, community organisations and film societies to screen films with the support of FACT's programming knowledge and marketing reach, proved popular.

Public Programme

FACT's public programmes for the year included a hybrid programme of online and site-based projects and resources, for both professional and general audiences, including:

- Liverpool Biennial / B.O.S.S. Events, a series of events inspired by the sound system, in partnership with B.O.S.S. and Sable Radio, including a programme of podcasts and a closing event featuring sound artists, activists, collectives, community groups and DJs reflecting on the political and transformative power of music, sound, and the cultures built around it. A series of online resources was also produced.
- Light Night, FACT took part in Liverpool's free one night arts festival with streamed DJ sets by members of Black Obsidian Sound System (B.O.S.S), livestreamed through Facebook so that those who were unable or not yet ready to visit public buildings, could enjoy the mix from home.
- UPRISE AR: Twenty Eleven, FACT supported a new Augmented Reality (AR) work by artist Baff Akoto concerned with civil unrest and uprisings with a series of public programme events examining the events in Liverpool during this period of unrest and the broader history of protest in the city.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

COMPANY

- Framework for Trust, a range of online resources, conversations and artist interventions bringing together artists and curators from across FACT's exhibitions and learning programmes, including conversations on governance, policy and performance, and balancing care responsibilities with creating art.
- Toolkit To Transform, a series of online workshops with Asia Art Activism looking at heritage and healing through the preparing and sharing of food and reflecting on ideas of ancestry and identity.
- Lunar New Year celebration, a weekend of events, including curator tours of Future Ages Will Wonder, a performance by Breakwater, a cooking workshop, and a heritage walk through Chinatown.
- Framework for Exchange, a series of online events examining and evaluating institutional practice and existing structures, including Accounting and Accountability, How Can Artworks Influence Decision Making? and How To Design Interactive Art Experiences For Collective Decision Making?

Artist Development Programme

During the year, FACT ran hybrid residencies for 8 artists through three schemes:

- Jerwood Arts FACT Digital Fellowships. In the second year of the programme, fellowships were awarded to Ashley Holmes, Lucy Hutchinson and April Lin. The three artists worked with FACT in a hybrid remote-physical residency model. Outcomes from their work will be shown in 2022 and 2023.
- FACT Together. FACT ran a second round of its open call commissioning programme aimed at early career artists in the North. The artists selected for 2021 were Hope Strickland, Erin Dickinson, Kerolaina Linkevica, and GLOR1A, who each produced an online work following a programme of mentoring and development: I'll be Back by Hope Strickland is a short film exploring Black metamorphosis alongside institutional collecting practices and colonial violence, Primordial by Kerolaina Linkevica, is an immersive online work that invites you to explore three worlds inspired by Kerolaina's research into Goddess worship, Harton Moor by Erin Dickinson is an animated guided tour of a 1970's council estate in South Shields, and Swarm Prototype 4 by GLOR1A is an online game that invites players to explore themselves: their ideals, and their futures from a different origin of conception.
- European Media Arts Residency Exchange (EMARE). FACT's 2021 EMARE artist resident was Andrius Arutiunian, an Armenian-Lithuanian sound artist and composer based in The Hague (NL). His new work, produced during the residency, investigates automated deception recognition systems and their use in border surveillance, and resulted in an algorithmically generated multi-channel AV work.

Learning Programme

FACT's Learning programme focuses on participatory projects and resources for families, young people, intergenerational groups, schools, teachers and teacher trainees, and people within the criminal justice system. Highlights included:

- You're on Mute', a webinar series of three online sessions aimed at organisations and practitioners working on participatory digital projects with a focus on older people and isolated and vulnerable individuals. The sessions exchanged best practice in digital arts and participations. Three online resources were produced.
- FACT's Schools Programme, which included workshops on music making and a new online learning resource on how to make music using the online digital audio workspace Soundtrap. FACT reopened for physical schools visits and relaunched its regular Do Something Saturdays sessions for families.
- Young at Art, artists Linda Stupart, Ayesha Tan Jones and Shonagh Short worked with intergenerational group of 16 participants to produce three artworks reflecting on the rituals that have made us feel more connected to the world around us during the pandemic.

"I really enjoyed all of it ... It has been a horrible 18 months for us and the intimacy together in this project, there's no loneliness through things like this because of that." - participant

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

COMPANY

- The Imaginists Society, artist Danielle Brathwaite-Shirley worked with young people from Everton, Anfield and Toxteth to explore "their Liverpool", investigating how interactive technologies and the language of video games allows the telling and sharing of stories. A core group of young people was then selected through an open call to work closely with Danielle to produce a new artwork.
- Following the Gourd, artist Egun Sodipo worked with groups of young people to produce an online interactive constellation chart that will archive and share the stories of the LGBTQ+ and Black community.
- Resolution, a programme of commissions by artists and people in the criminal justice system. Aun Bailey, the third commissioned artist in the Resolution series worked with group of ten incarcerated men and their families to create a collection of short audio content about their experiences using sound and music.

Video Production Service

The Video Production unit completed projects for a range of cultural clients including Liverpool Biennial, Culture Liverpool, National Museums Liverpool, Royal Liverpool Philharmonic Orchestra, Bluecoat, and Abandon Normal Devices, as well as much internal work.

Traineeships

FACT hosted 7 trainees through the government's Kickstart training scheme, aimed at creating new jobs for 16 to 24 year olds on Universal Credit at risk of long term unemployment. FACT staff put together a comprehensive training and development experience for the trainees, who were based in Visitor Services and Building Operations, but also worked across Programme and Marketing and Communications. Three of the trainees have since joined the FACT staff, currently working in Programme, Visitor Services and Events, and most have gained employment with other cultural organisations and companies in the city.

Financial review

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements. The charity had net incoming resources on unrestricted funds of £449,937 (2021: £180,377). A large proportion of this was due to an award of £198,800 from the third round of the DCMS's Cultural Recovery Fund, administered by Arts Council England, towards reinflating FACT's reserves to be able to afford urgent and strategic capital work and investments during 2021/22 and 2022/23.

Earned income from events, hospitality and rental income has increased to £12,847 (2021: £900).

Following mediation, a longstanding rent dispute with cinema tenant Picturehouse was resolved and a new rent agreement was signed between the two parties. The new rent agreement is based on attendances rather than net profit share, which simplifies calculations and transparency.

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 (2021: £Nil), after allowing for a management fee payable to the Charity of £Nil (2021: £Nil), and a gift aid donation of £Nil (2021: £Nil).

Going Concern

The financial statements have been prepared on a going concern basis. The organisation is rebuilding its audiences and earned income strands in the late pandemic, and has obtained funding commitments from core funders, together with additional fundraising.

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 2022/23 year to date, the management accounts forecast for the remainder of 2022/23, the 18 month rolling cash flow forecast, the confirmation of Arts Council England's funding commitment to FACT Liverpool for 2023/24 - 2025/26 as part of its National Portfolio Organisations, and longer-term plans and forecasts for 2023 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.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

COMPANY

Reserves policy

The trustees have adopted a financial policy that seeks to maintain free reserves to a level of approximately £300,000, which presently represents three months of operating costs. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Free reserves are defined as total unrestricted funds available for spending less any designated funds. Designated funds are funds set aside by the trustees for a future purpose together with the value of tangible fixed assets used operationally by the charity.

At the year end the total unrestricted reserves stood at £4,304,699. Of this amount, £3,575,341 represented the value of tangible fixed assets held at the year end and £290,075 was designated for the purpose of maintaining the charity's asset base in good order and towards supporting artist residencies leaving a balance of free reserves of £439,283.

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.

Structure, governance and management

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, 12th September 2019 and 8th February 2022.

At a board meeting on 8th February 2022, a resolution was passed by the Board to change the organisation's name from Foundation for Art and Technology to FACT Liverpool.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

COMPANY

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Matthew Baines	
Prof Dinah Birch	(Resigned 17 May 2022)
Ruth Catlow	(Appointed 22 February 2022)
Alvaro Costela Sanchez	(Appointed 22 February 2022)
Chloe Courtney	(Appointed 22 February 2022)
Jemice Easthope	
Maleka Egeonu-Roby	(Appointed 22 February 2022)
Rachel Higham	(Resigned 13 September 2022)
Dr Richard Jones	(Resigned 11 November 2021)
Sheralee Lockhart	
Lisa Middleton	(Appointed 22 February 2022)
Simon Sprince	(Resigned 9 September 2021)
Emlyn Williams	(Resigned 23 November 2021)
Prof Joe Yates	(Resigned 7 October 2021)
Bea Freeman	(Appointed 17 May 2022)
Suzie Lawes (Chair)	(Appointed 13 September 2022)

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 above.

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.

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.

Organisation

The board of trustees, who are also the directors of the charity, administer the charity and meet 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 on the legal and administration page, 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.

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.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

COMPANY

Auditor

In accordance with the company's articles, a resolution proposing that DSG be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of Information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Suzie Lawes (Chair)
Trustee

13 December 2022

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of FACT Liverpool for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF FACT LIVERPOOL

Opinion

We have audited the financial statements of FACT Liverpool (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF FACT LIVERPOOL

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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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 charity and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF FACT LIVERPOOL

Capability of the audit in detecting irregularities, including fraud

Based on our discussions with the charity's management and the Trustees, we identified that the following laws and regulations are significant to the entity:

- 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 charity 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 is available 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 (Senior Statutory Auditor)
for and on behalf of DSG

13 December 2022

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
Income from:							
Donations and legacies	3	1,453,129	-	1,453,129	1,237,438	-	1,237,438
Charitable activities	4	389,665	167,962	557,627	358,321	111,785	470,106
Other trading activities	5	12,847	-	12,847	900	-	900
Total income		1,855,641	167,962	2,023,603	1,596,659	111,785	1,708,444
Expenditure on:							
Raising funds	6	277,446	-	277,446	236,668	-	236,668
Charitable activities	7	1,128,258	263,201	1,391,459	1,179,614	207,025	1,386,639
Total expenditure		1,405,704	263,201	1,668,905	1,416,282	207,025	1,623,307
Net Incoming/(outgoing) resources before transfers		449,937	(95,239)	354,698	180,377	(95,240)	85,137
Gross transfers between funds		3,473,895	(3,473,895)	-	-	-	-
Net Income/(expenditure) for the year/ Net movement in funds		3,923,832	(3,569,134)	354,698	180,377	(95,240)	85,137
Reconciliation of funds							
Fund balances at 1 April 2021		380,867	3,569,134	3,950,001	200,490	3,664,374	3,864,864
Fund balances at 31 March 2022		4,304,699	-	4,304,699	380,867	3,569,134	3,950,001

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
LIMITED BY GUARANTEE
BALANCE SHEET**

COMPANY

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	12		3,787		11,361
Tangible assets	13		3,575,341		3,676,158
Investments	14		1		1
			<u>3,579,129</u>		<u>3,687,520</u>
Current assets					
Debtors	16	469,710		203,893	
Cash at bank and in hand		649,184		531,044	
		<u>1,118,894</u>		<u>734,937</u>	
Liabilities					
Creditors: amounts falling due within one year	17	(351,740)		(415,981)	
		<u></u>		<u></u>	
Net current assets			767,154		318,956
Total assets less current liabilities			4,346,283		4,006,476
Creditors: amounts falling due after more than one year	18		(41,584)		(56,475)
			<u></u>		<u></u>
Total net assets			<u>4,304,699</u>		<u>3,950,001</u>
The funds of the charity					
Restricted funds	20		-		3,569,134
<u>Unrestricted funds</u>					
Designated funds	21	3,865,416		290,075	
General unrestricted funds		439,283		90,792	
		<u></u>		<u></u>	
Total unrestricted funds			4,304,699		380,867
Total charity funds			<u>4,304,699</u>		<u>3,950,001</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 13 December 2022

Suzie Lawes (Chair)
Trustee

Company registration number 02391543

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by operations	26		160,929		545,293
Investing activities					
Purchase of tangible fixed assets		(24,336)		(12,504)	
Proceeds from disposal of tangible fixed assets		(458)		3,335	
Net cash used in investing activities			(24,794)		(9,169)
Financing activities					
Repayment of borrowings		(15,649)		21,124	
Repayment of bank loans		(2,346)		14,283	
Net cash (used in)/generated from financing activities			(17,995)		35,407
Net increase in cash and cash equivalents			118,140		571,531
Cash and cash equivalents at beginning of year			531,044		(40,487)
Cash and cash equivalents at end of year			<u>649,184</u>		<u>531,044</u>

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

FACT Liverpool is a private company limited by guarantee incorporated in England and Wales. The registered office is 88 Wood Street, Liverpool, L1 4DQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements do not incorporate the results, assets and liabilities of the charity's wholly owned subsidiary, FACT Trading Limited. Consolidated accounts have not been prepared as these would not be materially different from the single entity financial statements as presented.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Intangible fixed assets other than goodwill

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	20% per annum
-------------------	---------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold premises	2% per annum after impairment (net of cost of land)
Leasehold improvements	10% per annum
Exhibitions and collaboration equipment	15% per annum
Film and video equipment	25% per annum
Office and IT equipment	25% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Fixed asset investments

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investment in subsidiaries are measured at cost.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	2,904	1,798
Grants receivable	1,450,225	1,235,640
	<u>1,453,129</u>	<u>1,237,438</u>
Grants receivable for core activities		
Arts Council England	1,024,418	1,024,418
Liverpool City Council	99,164	99,164
HMRC CJRS grant	19,547	112,058
Kickstarter grant	48,703	-
LCC capital grant	33,000	-
ACE cultural recovery grant	198,803	-
Other	26,590	-
	<u>1,450,225</u>	<u>1,235,640</u>

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

	2022	2021
	£	£
Income within charitable activities	389,665	358,321
Performance related grants	167,962	111,785
	<u>557,627</u>	<u>470,106</u>
	<u><u>557,627</u></u>	<u><u>470,106</u></u>
Analysis by fund		
Unrestricted funds	389,665	358,321
Restricted funds	167,962	111,785
	<u>557,627</u>	<u>470,106</u>
	<u><u>557,627</u></u>	<u><u>470,106</u></u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Event management	12,847	900
	<u>12,847</u>	<u>900</u>

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Staff costs	56,030	45,009
Support costs	77,634	73,320
	<u>133,664</u>	<u>118,329</u>
Fundraising and publicity	<u>133,664</u>	<u>118,329</u>

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

6 Raising funds		(Continued)	
	<u>Trading costs</u>		
	Other trading activities	32,083	16,105
	Staff costs	17,992	14,453
	Support costs	93,707	87,781
		<hr/>	<hr/>
	Trading costs	143,782	118,339
		<hr/>	<hr/>
		277,446	236,668
		<hr/>	<hr/>
7 Charitable activities			
		2022	2021
		£	£
	Staff costs	266,208	213,847
	Other charitable expenditure	212,767	314,608
		<hr/>	<hr/>
		478,975	528,455
		<hr/>	<hr/>
	Share of support costs (see note 8)	894,158	844,466
	Share of governance costs (see note 8)	18,326	13,718
		<hr/>	<hr/>
		1,391,459	1,386,639
		<hr/>	<hr/>
	Analysis by fund		
	Unrestricted funds	1,128,258	1,179,614
	Restricted funds	263,201	207,025
		<hr/>	<hr/>
		1,391,459	1,386,639
		<hr/>	<hr/>

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

8 Support costs

	Support costs	Governance costs	2022Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	574,269	12,090	586,359	471,026	480,738
Depreciation	133,185	-	133,185	136,429	136,429
Premises costs	271,068	-	271,068	284,042	284,042
Office and IT costs	26,272	-	26,272	84,090	84,090
Marketing costs	34,171	-	34,171	26,575	26,575
Staff related costs	22,868	-	22,868	661	661
Audit fees	-	9,902	9,902	-	6,750
	<u>1,061,833</u>	<u>21,992</u>	<u>1,083,825</u>	<u>1,002,823</u>	<u>1,019,285</u>
Analysed between					
Fundraising	77,634	-	77,634	73,320	73,320
Trading	90,041	3,666	93,707	85,037	87,781
Charitable activities	894,158	18,326	912,481	844,466	858,184
	<u>1,061,833</u>	<u>21,992</u>	<u>1,083,825</u>	<u>1,002,823</u>	<u>1,019,285</u>

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.

9 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2022	2021
	£	£
Audit of the charity's annual accounts	9,902	6,750
Non-audit services		
All other non-audit services	1,200	-

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2021: £nil).

No expenses were reimbursed to trustees in the year (2021: £nil).

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

11 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Fundraising and development	2	2
Charitable activities	13	12
Commercial operations	4	4
Support activities	16	10
Casual staff	8	10
	<hr/>	<hr/>
Total	43	38
	<hr/>	<hr/>

Employment costs	2022	2021
	£	£
Wages and salaries	849,033	673,908
Social security costs	61,448	56,779
Other pension costs	16,108	13,648
	<hr/>	<hr/>
	926,589	744,335
	<hr/>	<hr/>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022	2021
	Number	Number
£70,001 to £80,000	1	1
	<hr/>	<hr/>

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

12 Intangible fixed assets

	Development costs
	£
Cost	
At 1 April 2021 and 31 March 2022	37,870
Amortisation and impairment	
At 1 April 2021	26,509
Amortisation charged for the year	7,574
At 31 March 2022	34,083
Carrying amount	
At 31 March 2022	3,787
At 31 March 2021	11,361

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

COMPANY LIMITED BY GUARANTEE

13	Tangible fixed assets								
		Leasehold premises	Leasehold improvements	Exhibitions and collaboration equipment	Film and video equipment	Office and IT equipment	Total		
	Cost	£	£	£	£	£	£		£
	At 1 April 2021	9,198,165	206,273	46,433	97,916	72,555	9,621,342		
	Additions	-	-	11,786	11,000	1,550	24,336		
	At 31 March 2022	9,198,165	206,273	58,219	108,916	74,105	9,645,678		
	Depreciation								
	At 1 April 2021	5,638,165	127,011	17,472	99,414	63,122	5,945,184		
	Depreciation charged in the year	90,000	20,627	6,745	1,498	6,283	125,153		
	At 31 March 2022	5,728,165	147,638	24,217	100,912	69,405	6,070,337		
	Carrying amount								
	At 31 March 2022	3,470,000	58,635	34,002	8,004	4,700	3,575,341		
	At 31 March 2021	3,560,000	79,262	27,463	-	9,433	3,676,158		

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

13 Tangible fixed assets (Continued)

The estimated value of the land included in the leasehold's premises that is not being depreciated is £500,000 (2021: £500,000).

14 Fixed asset investments

Other Investments

Cost or valuation

At 1 April 2021 & 31 March 2022 1

Carrying amount

At 31 March 2022 1

At 31 March 2021 1

		2022	2021
Other investments comprise:	Notes	£	£
Investments in subsidiaries	15	1	1

15 Subsidiaries

Details of the charity's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
FACT Trading Limited	England and Wales	Trading	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
FACT Trading Limited	-	806

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

16 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	175,482	41,571
Amounts owed by fellow group undertakings	7,386	4,827
Other debtors	185,146	127,342
Prepayments and accrued income	101,696	30,153
	<u>469,710</u>	<u>203,893</u>

17 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	19	9,570	2,500
Other borrowings		5,475	15,649
Other taxation and social security		394	14,241
Trade creditors		46,143	57,089
Other creditors		36	(359)
Accruals and deferred income		290,122	326,861
		<u>351,740</u>	<u>415,981</u>

Included in accruals and deferred income is deferred income of £263,079 (2021: £301,752) relating to income received for future periods.

18 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans	19	38,084	47,500
Other borrowings		-	5,475
Other creditors		3,500	3,500
		<u>41,584</u>	<u>56,475</u>

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

19 Loans and overdrafts

	2022	2021
	£	£
Bank loans	47,654	50,000
Other loans	5,475	21,124
	<u>53,129</u>	<u>71,124</u>
	<u><u>53,129</u></u>	<u><u>71,124</u></u>
Payable within one year	15,045	18,149
Payable after one year	38,084	52,975
	<u><u>38,084</u></u>	<u><u>52,975</u></u>

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

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

COMPANY LIMITED BY GUARANTEE

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£	£	£
Capital grants	3,664,374	-	(95,240)	3,569,134	-	(95,240)	(3,473,894)	-
Exhibition and commission	-	49,054	(49,054)	-	94,521	(94,521)	-	-
Learning and participation	-	4,374	(4,374)	-	73,440	(73,440)	-	-
Other funds	-	58,357	(58,357)	-	-	-	-	-
	3,664,374	111,785	(207,025)	3,569,134	167,961	(263,201)	(3,473,894)	-

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

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020	Transfers	Balance at 1 April 2021	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Capital expenditure	-	240,000	240,000	-	240,000
Artist residency support	-	50,075	50,075	-	50,075
Tangible fixed asset fund	-	-	-	3,575,341	3,575,341
	-	290,075	290,075	3,575,341	3,865,416

The trustees have 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.

£50,075 is also designated towards supporting artist residencies.

Tangible fixed asset fund - In order to accurately show the reserves tied up in fixed assets held by the charity, a designated tangible fixed asset fund has been created representing assets used operationally by the charity. This fund includes assets acquired with historic capital grants. As these grants have been expended in line with the conditions of funding, this has discharged the restriction on them, and therefore they have been transferred to unrestricted funds.

22 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Intangible fixed assets	3,787	-	3,787	11,361	-	11,361
Tangible assets	3,575,341	-	3,575,341	107,024	3,569,134	3,676,158
Investments	1	-	1	1	-	1
Current assets/(liabilities)	767,154	-	767,154	318,956	-	318,956
Long term liabilities	(41,584)	-	(41,584)	(56,475)	-	(56,475)
	4,304,699	-	4,304,699	380,867	3,569,134	3,950,001

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	1,114	1,180
Between two and five years	-	374
	<u>1,114</u>	<u>1,554</u>

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2022 £	2021 £
Within one year	5,000	-
Between two and five years	24,583	-
	<u>29,583</u>	<u>-</u>

Lessor

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. During the year, this was renegotiated to include quarterly rental payments.

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.

24 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 charged 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.

**FACT LIVERPOOL
(FORMERLY THE FOUNDATION FOR ART AND CREATIVE
TECHNOLOGY)**

COMPANY

**LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate remuneration	165,841	164,072

There were no other related party transactions in the year.

26 Cash generated from operations

	2022	2021
	£	£
Net income for the year (as per the statement of financial activities)	354,698	85,137
Adjustments for:		
Loss/(gain) on disposal of tangible fixed assets	458	(441)
Amortisation of intangible assets	7,574	7,574
Depreciation of tangible fixed assets	125,153	129,296
Movements in working capital:		
(Increase)/decrease in debtors	(265,817)	262,671
(Decrease)/increase in creditors	(61,137)	61,056
Net cash provided by operating activities	160,929	545,293

27 Company limited by guarantee

FACT Liverpool is incorporated under the Companies Act as a company limited by guarantee. The liability of the members is limited to £1.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.