

Charity registration number 702781

Company registration number 02391543 (England and Wales)

FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

FACT LIVERPOOL COMPANY LIMITED BY GUARANTEE LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Rachel Higham (Chair)
Sheralee Lockhart
Jernice Easthope
Ruth Catlow
Alvaro Costela Sanchez
Chloe Courtney
Maleka Egeonu-Roby
Lisa Middleton
Bea Freeman

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

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FACT LIVERPOOL COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

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

Objectives and activities

FACT's charitable objective, as defined in the latest Articles of Association approved in February 2022, 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, low-cost and paid talent development opportunities and commissions for artists and filmmakers
- Free to access exhibitions or screenings at other locations and venues
- Free on-line content 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 COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Overview

After a difficult start to 2022/23 with a decline in audiences that impacted most cultural venues across the UK and Europe, triggered by cost of living concerns and the uncertainty created by Russia's invasion of Ukraine, our dedicated cross-building effort to attract audiences and visitors - Campaign Footfall - produced positive results. Over the summer months, audiences grew steadily. Our Summer exhibition *My Garden, My Sanctuary* was our most visited exhibition since 2019, achieving our target of restoring audiences back to 400 gallery visits per week. Compared to the previous summer, gallery footfall more than doubled (+254%). Our major Winter exhibition, which ran from October 2022 to 9 April 2023, had over 14,000 visitors to the two installations by Danielle Brathwaite-Shirley with the *Bandidos* and *Josefa Ntjam*, enhanced by a further 6800 visits to Chila Burman's installation.

Overall, our gallery exhibitions have drawn in the same level of visitors as our 2018 exhibitions, which was one of the most successful years for FACT in terms of attendances. Overall, across the building, we had 145,308 visits - an increase over the previous year of 38,979 visits (these figures include cinema attendances).

Throughout the year, FACT continued its programme theme *Radical Ancestry*. Through exhibitions, commissions, events, podcasts, activities and participatory projects, both online and in-person, *Radical Ancestry* explores and examines 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.

Numbers of Beneficiaries

Building visitors	145,308
Gallery attendances	39,048
Learning participants:	2,596

No. artist commissions:	12
No. exhibitions:	6
No. artist and curator residencies:	10
No. learning sessions:	201

Major Exhibitions

Let the Song Hold Us (24 March - 19 June 2022)

Centred around song and music as a way to communicate ideas of family, hope, and belonging, the artworks in the group exhibition "*Let the Song Hold Us*" reimagined the ways we create and share; what we inherit, and what we pass on. Curated by the FACT team and featuring new commissions by Larissa Sansour with Søren Lind, Zinzi Minott, Tessa Norton, Ebun Sodipo, and Rae-Yen Song, and work by Korakrit Arunanondchai, the show was extremely well received by critics, garnering four star reviews in the *Guardian* and *i-news*, and an extensive feature on the BBC Radio 4 arts programme, *Front Row*,

"A probing celebration of the power of melody and lyrics" - *The Guardian*
"Absolutely stunning as an immersive experience" - BBC Radio 4 *Front Row*

My Garden, My Sanctuary (20 July - 9 October 2022)

Curated by Carrie Chan, the exhibition challenged conventional ways we define our backgrounds to embrace identities that are more fluid. Artists Sian Fan and Yaloo presented a series of large-scale animated installations and interactive gaming environments to reclaim their cultural identities from the commodified and stereotyped representations of East Asian culture that have become commonplace globally.

Danielle Brathwaite-Shirley & Josefa Ntjam (2 December 2022 - 9 April 2023)

The last major exhibition of our *Radical Ancestry* season comprised two major new immersive commissions by Danielle Brathwaite-Shirley and Josefa Ntjam.

Danielle Brathwaite-Shirley with *The Bandidos*, a group of young people from Liverpool, collaborated to create an online and physical immersive video role play game, that allows players and visitors to explore alternate digital realities and reimagine their own past and future.

Joséfa Ntjam's film installation reexamines history in the aftermath of colonialism and the Transatlantic slave trade, presented within an interstellar, underground cave.

FACT LIVERPOOL COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Gallery 2 Experimental Space

Chila Kumari Burman: Merseyside Burman Empire (13 August 2022 - 27 August 2023)

Chila Burman curated a dynamic, long-term environmental installation for our upstairs gallery, redefining it as a versatile venue for workshops, events, and resident artists' works-in-progress. Vibrant kaleidoscopic collages adorned walls and furniture, complemented by a decorated Tuk Tuk and neon artworks. The space screened three of Chila's video works during the opening exhibition. Through the year, the space accommodated various groups through internal and external programs, including educational visits and workshops.

Lucy Hutchinson // The (new) Constellation (Agnes Varnai & Tina Kult) (28 Sept - 20 Nov 2022)

Lucy Hutchinson (FACT x Jerwood Fellow) explored the relationship between printmaking, witchcraft and biotechnology using the Lancashire Witches as a starting point.

Erin Dickson & April Lin 林森 (1 December 2022 - 6 February 2023)

April Lin 林森 (FACT / Jerwood Fellow) presented *The Earthly Realm is Out of Balance*, a chatbot / choose-your-own-adventure game that investigates how ancestry is constructed, sustained, and embodied.

Erin Dickson (FACT Together artist) presented *Harton Moor (2022)*, an animated guided tour of a 1970's council estate in South Shields led by a child resident, Jessica.

FACT National and International

During the year, FACT commissions have been shown in many venues nationally and internationally.

Larissa Sansour and Soren Lind's *As If No Misfortune Had Occurred in the Night (2022)* toured to Kindl in Berlin 5 March 2023 – 2 July 2023.

Hope Strickland's film, *I'll be back! (2022)* was shown at Aesthetica Film Festival, York, Open City Documentary Festival, London, and the ICA, London as part of the BFI London Film Festival.

Yunchul Kim's *Impulse (2018)*, commissioned by Arts at CERN and FACT and co-produced by ScANNER, was part of the artist's solo presentation *GYRE* in the Korean Pavilion, Venice Biennale 2022, reaching many thousands of biennale attendees.

Yaloo's *Birthday Garden (2022)* was adapted for exhibition as part of Supernova 7th Dimension Night Lights Denver through September 2022.

Liz Magic Laser's *In Real Life (2019)* was part of *Post-Capital: Art and the Economics of the Digital Age* at Kunsthall Charlottenborg, Copenhagen, Denmark (17 September 2022 - 15 January 2023).

Film Programme

We produced two further weekends of Cinema in the City in June and July 2022 at Carnival Brewing Co and Scale in the Fabric District. Disappointing audiences led to a decision to temporarily halt Cinema in the City while we look to secure funding to continue this branded activity as occasional special events.

FACT Films in the Box featured a season of films by black filmmakers for Black History Month, achieving a 74% overall attendance, notably boosted by Q&A sessions and locally produced shorts. The Afrofuturist film season in February garnered attendances ranging from 36% to 94%. Our subsidised Community Cinema package brought new audiences into the building.

Restarting FACT's involvement in the development of filmmakers, we delivered two masterclasses for filmmakers in short film-making and documentary features, and hosted Bea Freeman's Black Screen film seminar. We also supported the delivery of the BFI Film Academy by Edge Hill University, supporting 25 young filmmakers (aged 16-19) over a 14 week period.

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Public Programme

The public programme included numerous talks, curator and artist tours, workshops, online events (podcasts, discussions and game play-throughs) and live performances complementing and bringing to life our exhibitions programme. These included live performances by artists in residence Lucy Hutchison and Ashley Holmes.

Additionally, in June, we organised a Windrush Day event at the Merseyside Caribbean Centre, showing films, and a performance. In September, Jack Tan's performance-event Performing Boardness culminated his board residency. Participants engaged in conversations about how the board of a Future Art Museum would operate and what they should aim to achieve. For Lunar New year in January and February, we organised a programme of events, including food workshops, in-conversations and workshops. In March, as part of its ongoing collaboration with the Virtual Engineering Centre at University of Liverpool, FACT hosted a Creative Arts Digital Sandpit which included presentations about opportunities for cultural organisations in Liverpool to develop their own digital infrastructure.

Learning Programme

When Our Worlds Meet (The Imaginists Society)

As the pilot programme of The Imaginists, which aims to reposition youth experiences and understanding of technology and online culture, artist Danielle Brathwaite-Shirley collaborated with group of local young people calling themselves The Bandidos. Over the course of a year, the group worked together on an imaginary city inspired by Liverpool's history and their favourite pop culture and video game references. The result was a video role play game, a unique adventure across different time periods and youth-designed worlds, which was presented both online and created as an interactive immersive exhibition as part of FACT's main exhibitions programme. In total, the engagement programme reached 3,148 participants, with 770 in the family programme and 19 schools participating in workshops.

Clatterbridge Cancer Centre Project

As the first steps in a long-term collaboration with Clatterbridge Cancer Centre's Young Adults and Teenagers Unit, four taster sessions were conducted with a core group of young people. The participants (ages 6-15) crafted a collective digital mural showcasing their enthusiasm for TV series and video games.

Following the Gourd

This project was led by artist Ebun Sodipo. It involved LGBTQ+ youth, primarily a small group of Black Trans young adults, 'The Cartographer's Committee'. They created an interactive online archive resembling a star chart, which reimagined their daily lives as constellations. The installation was exhibited as part of the exhibition Let the Song Hold Us at FACT.

School Sessions

The Learning Team conducted 34 sessions with schools involving 721 participants. The team also worked with Calderstones Arrival School in December, refugee and asylum-seeking youth.

Family Programme

During Summer 2022, FACT had a major focus on attracting young people and families into the building. A series of activities were developed exploring how young people produce and consume Korean pop culture. Through the Summer, 230 people attended Do Something Saturdays!, FACT's weekend family programme, exploring pop culture, music and social media. The family programme had a total of 772 participants.

Resolution: Art Programmes in the Criminal Justice System

Resolution is FACT's long-term art and research programme in which artists create artworks in collaboration with participants with experience in the Criminal Justice System, art serving as a platform for dialogue and representation. The resulting artworks will come together in a major exhibition at FACT, planned for 2024. The artworks will also be presented to policy makers through a campaign in collaboration with the Howard League. After a year's delay due to COVID-19, workshops resumed in HMP Altcourse during the year, where incarcerated men, ex-military individuals, and guards collaborated on a project led by Melanie Crean. Workshops also engaged staff, ex-forces prison guards, and decision makers, employing graphic design to discuss knowledge distribution. In January, artist Ain Bailey initiated an intergenerational project at HMP Buckley Hall, working with incarcerated men and their families.

FACT LIVERPOOL COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Throughout the journey, Resolution has fostered dialogue, creativity, and understanding within the Criminal Justice System, with FACT's criminologist-in-residence, Dr. Emma Murray, organising discussions among policy makers, activists, and researchers to explore new ways of working within criminology.

Talent Development

Studio/Lab

FACT secured £150,000 from Bloomberg Philanthropies and £60,000 from the Foyle Foundation to support our proposed new Studio/Lab, which will enable access for emerging artists and curators to digital art production facilities and expertise. The Foyle Foundation grant is awarded towards the physical conversion of 50% of the top floor of FACT into studios, workshops and communal spaces. The Bloomberg grant will fund staffing, digital production facilities, staff training, and the commission of an online portal to improve the presentation of online artworks. Studio/Lab is planned to open in 2023.

FACT continued its three artist residency strands, which select artists through open calls and support them with research and development to expand their practice and produce new works. FACT x Jerwood Fellows in 2022 were Lucy Hutchinson, Ashley Holmes and April Lin 林森. Our final European Media Artist Residency hosted the (new) Constellation - Agnes Varnai (Austria) and Tina Kult (Hungary) - for two months developing a new video work. For our FACT Together programme, after receiving nearly 100 applications, primarily from the North West, we selected Dongni Liang, Nicole Prior, Charlotte Southhall and Ellie Towers.

John Ellerman Curatorial Development Programme

Two of the first cohort of three curatorial fellows in this new programme have been appointed. Nia Thomas has been appointed as Curatorial Assistant and Temi-Lasade Anderson as Research Curator. The third fellow will be appointed in 2023.

Video Production Service

The Video Production unit completed projects for a range of cultural clients including Bluecoat, Northumbria University, National Museums Liverpool, Tate Liverpool (Turner Prize) and Liverpool Biennial, as well as much internal work.

Picturehouse

Although Cineworld, the parent organisation of Picturehouse has gone into administration following Chapter 11 bankruptcy proceedings in the USA, the cinema continues to operate as usual. Audiences slowly improved through the year.

Environmental Sustainability

We installed arrays of solar panels on our flat roof space, projecting a 5% annual saving on our electricity bill and reducing our carbon consumption. We are also invested in replacing all our gallery lights with LED lights, which means that the whole building is now lit by energy-saving LEDs (apart from the Picturehouse bar area).

Equality, Diversity and Inclusion

FACT was awarded an enei TIDE Bronze Award 2022/23. Talent Inclusion and Diversity Evaluation (TIDE) is the diversity and inclusion self-assessment evaluation and benchmarking tool developed by the Employers Network for Equality & Inclusion (enei).

FACT signed up to the LARC (Liverpool Arts Regeneration Consortium) and COoL (Creative Organisations of Liverpool) Race Equality Manifesto.

We have embarked upon our journey to become a Disability Confident employer by signing up to the scheme's required Disability Confident Commitments.

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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 expenditure on unrestricted funds of £100,318 (2022: net income £354,698).

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 2023/24 year to date, the management accounts forecast for the remainder of 2023/24, 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 2024 and beyond. As a result, the trustees are confident about the financial future of the charity and satisfied that these accounts are prepared on a going concern basis.

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 £4,204,381 (2022: £4,304,699). Of this amount, £3,550,847 (2022: £3,575,341) represented the value of tangible fixed assets held at the year end and £290,075 (2022: £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 £363,459 (2022: £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.

FACT LIVERPOOL COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 8th February 2022.

Trustees

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:

Rachel Higham (Chair)	(Resigned 13 September 2022, reappointed 1 June 2023)
Sheralee Lockhart	
Jernice Easthope	
Ruth Catlow	
Alvaro Costela Sanchez	
Chloe Courtney	
Maleka Egeonu-Roby	
Lisa Middleton	
Bea Freeman	(Appointed 17 May 2022)
Matthew Balnaves	(Resigned 12 July 2023)
Prof Dinah Birch	(Resigned 17 May 2022)
Suzie Lawes	(Appointed 13 September 2022, resigned 5 May 2023)

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.

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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.

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.



Rachel Higham (Chair)
Trustee

12 October 2023

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023**

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 2023 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 2023 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.

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.

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF FACT LIVERPOOL**

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 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 BA FCA (Senior Statutory Auditor)
for and on behalf of DSG

12 October 2023

**Chartered Accountants
Statutory Auditor**

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	3	1,292,820	-	1,292,820	1,453,129	-	1,453,129
Charitable activities	4	506,140	149,302	655,442	389,665	167,962	557,627
Other trading activities	5	6,809	-	6,809	12,847	-	12,847
Total income		1,805,769	149,302	1,955,071	1,855,641	167,962	2,023,603
Expenditure on:							
Raising funds	6	324,220	-	324,220	277,446	-	277,446
Charitable activities	7	1,581,867	149,302	1,731,169	1,128,258	263,201	1,391,459
Total expenditure		1,906,087	149,302	2,055,389	1,405,704	263,201	1,668,905
Gross transfers between funds		-	-	-	3,473,895	(3,473,895)	-
Net (expenditure)/income for the year/							
Net movement in funds		(100,318)	-	(100,318)	3,923,832	(3,569,134)	354,698
Reconciliation of funds							
Fund balances at 1 April 2022		4,304,699	-	4,304,699	380,867	3,569,134	3,950,001
Fund balances at 31 March 2023		4,204,381	-	4,204,381	4,304,699	-	4,304,699

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
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	13		-		3,787
Tangible assets	14		3,550,847		3,575,341
Investments	15		1		1
			<u>3,550,848</u>		<u>3,579,129</u>
Current assets					
Debtors	17	415,331		469,710	
Cash at bank and in hand		747,671		649,184	
		<u>1,163,002</u>		<u>1,118,894</u>	
Liabilities					
Creditors: amounts falling due within one year	18	(477,525)		(351,740)	
		<u></u>		<u></u>	
Net current assets			685,477		767,154
Total assets less current liabilities			4,236,325		4,346,283
Creditors: amounts falling due after more than one year	19		(31,944)		(41,584)
			<u></u>		<u></u>
Total net assets			<u>4,204,381</u>		<u>4,304,699</u>
The funds of the charity					
<u>Unrestricted funds</u>					
Designated funds	22	3,840,922		3,865,416	
General unrestricted funds		363,459		439,283	
		<u></u>		<u></u>	
Total unrestricted funds			4,204,381		4,304,699
Total charity funds			<u>4,204,381</u>		<u>4,304,699</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 12 October 2023



Rachel Higham (Chair)
Trustee

Company registration number 02391543

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	27		213,339		160,929
Investing activities					
Purchase of tangible fixed assets		(99,975)		(24,336)	
Proceeds from disposal of tangible fixed assets		-		(458)	
Net cash used in investing activities			(99,975)		(24,794)
Financing activities					
Repayment of borrowings		(5,475)		(15,649)	
Repayment of bank loans		(9,402)		(2,346)	
Net cash used in financing activities			(14,877)		(17,995)
Net increase in cash and cash equivalents			98,487		118,140
Cash and cash equivalents at beginning of year			649,184		531,044
Cash and cash equivalents at end of year			747,671		649,184

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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	20% 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

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

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
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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
	2023 £	2022 £
Donations and gifts	3,433	2,904
Grants receivable	1,289,387	1,450,225
	<u>1,292,820</u>	<u>1,453,129</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
Kickstarter grant	37,237	48,703
LCC capital grant	17,000	33,000
ACE cultural recovery grant	-	198,803
Other	111,568	26,590
	<u>1,289,387</u>	<u>1,450,225</u>

FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	2023	2022
	£	£
Income within charitable activities	506,140	389,665
Performance related grants	149,302	167,962
	<u>655,442</u>	<u>557,627</u>
Analysis by fund		
Unrestricted funds	506,140	389,665
Restricted funds	149,302	167,962
	<u>655,442</u>	<u>557,627</u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Event management	<u>6,809</u>	<u>12,847</u>

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
<u>Fundraising and publicity</u>		
Staff costs	57,527	56,030
Support costs	86,322	77,634
	<u>143,849</u>	<u>133,664</u>
<u>Trading costs</u>		
Other trading activities	19,405	32,083
Staff costs	46,647	17,992
Support costs	114,319	93,707
	<u>180,371</u>	<u>143,782</u>
	<u>324,220</u>	<u>277,446</u>

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

6 Raising funds

(Continued)

7 Charitable activities

	2023 £	2022 £
Staff costs	273,322	266,208
Other charitable expenditure	405,707	212,767
	<u>679,029</u>	<u>478,975</u>
Share of support costs (see note 8)	1,035,861	894,158
Share of governance costs (see note 8)	16,279	18,326
	<u>1,731,169</u>	<u>1,391,459</u>
Analysis by fund		
Unrestricted funds	1,581,867	1,128,258
Restricted funds	149,302	263,201
	<u>1,731,169</u>	<u>1,391,459</u>

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	589,616	12,413	602,029	574,269	12,090	586,359
Depreciation	128,256	-	128,256	133,185	-	133,185
Premises costs	410,180	-	410,180	271,068	-	271,068
Office and IT costs	28,149	-	28,149	26,272	-	26,272
Marketing costs	47,446	-	47,446	34,171	-	34,171
Staff related costs	29,521	-	29,521	22,868	-	22,868
Audit fees	-	7,200	7,200	-	9,902	9,902
	<u>1,233,168</u>	<u>19,613</u>	<u>1,252,781</u>	<u>1,061,833</u>	<u>21,992</u>	<u>1,083,825</u>
Analysed between						
Fundraising	86,322	-	86,322	77,634	-	77,634
Trading	110,985	3,334	114,319	90,041	3,666	93,707
Charitable activities	<u>1,035,861</u>	<u>16,279</u>	<u>1,052,140</u>	<u>894,158</u>	<u>18,326</u>	<u>912,484</u>
	<u>1,233,168</u>	<u>19,613</u>	<u>1,252,781</u>	<u>1,061,833</u>	<u>21,992</u>	<u>1,083,825</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:	2023	2022
	£	£
Audit of the charity's annual accounts	<u>7,200</u>	<u>9,902</u>
Non-audit services		
All other non-audit services	<u>1,175</u>	<u>1,200</u>

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2022: £nil).

No expenses were reimbursed to trustees in the year (2022: £nil).

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Fundraising and development	2	2
Charitable activities	12	13
Commercial operations	4	4
Support activities	13	16
Casual staff	13	8
	<hr/>	<hr/>
Total	44	43
	<hr/>	<hr/>

Employment costs

	2023 £	2022 £
Wages and salaries	896,463	849,033
Social security costs	66,574	61,448
Other pension costs	16,488	16,108
	<hr/>	<hr/>
	979,525	926,589
	<hr/>	<hr/>

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

	2023 Number	2022 Number
£70,001 to £80,000	1	1
	<hr/>	<hr/>

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

13 Intangible fixed assets

	Development costs
	£
Cost	
At 1 April 2022 and 31 March 2023	37,870
	<hr/>
Amortisation and impairment	
At 1 April 2022	34,083
Amortisation charged for the year	3,787
	<hr/>
At 31 March 2023	37,870
	<hr/>
Carrying amount	
At 31 March 2023	-
	<hr/> <hr/>
At 31 March 2022	3,787
	<hr/> <hr/>

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

14 Tangible fixed assets

	Leasehold premises	Leasehold improvements	Exhibitions and collaboration equipment	Film and video equipment	Office and IT equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2022	9,198,165	206,273	58,219	108,916	74,105	9,645,678
Additions	-	33,468	48,212	-	18,295	99,975
	<u>9,198,165</u>	<u>239,741</u>	<u>106,431</u>	<u>108,916</u>	<u>92,400</u>	<u>9,745,653</u>
At 31 March 2023	9,198,165	239,741	106,431	108,916	92,400	9,745,653
Depreciation						
At 1 April 2022	5,728,165	147,638	24,217	100,912	69,405	6,070,337
Depreciation charged in the year	90,000	14,981	13,811	1,071	4,606	124,469
	<u>5,818,165</u>	<u>162,619</u>	<u>38,028</u>	<u>101,983</u>	<u>74,011</u>	<u>6,194,806</u>
At 31 March 2023	5,818,165	162,619	38,028	101,983	74,011	6,194,806
Carrying amount						
At 31 March 2023	<u>3,380,000</u>	<u>77,122</u>	<u>68,403</u>	<u>6,933</u>	<u>18,389</u>	<u>3,550,847</u>
At 31 March 2022	<u>3,470,000</u>	<u>58,635</u>	<u>34,002</u>	<u>8,004</u>	<u>4,700</u>	<u>3,575,341</u>

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

14 Tangible fixed assets (Continued)

More information on the charge over the long leasehold premises, with a carrying amount of £3,380,000 (2022: £3,470,000), is given in note 25.

15 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2022 & 31 March 2023	1
Carrying amount	
At 31 March 2023	1
At 31 March 2022	1

	Notes	2023 £	2022 £
Other investments comprise:			
Investments in subsidiaries	16	1	1

16 Subsidiaries

Details of the charity's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
FACT Trading Limited	England and Wales	Dormant	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
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

17 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	126,588	175,482
Amounts owed by fellow group undertakings	7,386	7,386
Other debtors	172,885	185,146
Prepayments and accrued income	108,472	101,696
	<u>415,331</u>	<u>469,710</u>

18 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	20	9,808	9,570
Other borrowings		-	5,475
Other taxation and social security		15,984	394
Trade creditors		39,527	46,143
Other creditors		3,357	36
Accruals and deferred income		408,849	290,122
		<u>477,525</u>	<u>351,740</u>

Included in accruals and deferred income is deferred income of £310,524 (2022: £263,079) relating to income received for future periods.

19 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	20	28,444	38,084
Other creditors		3,500	3,500
		<u>31,944</u>	<u>41,584</u>

20 Loans and overdrafts

	2023	2022
	£	£
Bank loans	38,252	47,654
Other loans	-	5,475
	<u>38,252</u>	<u>53,129</u>
Payable within one year	9,808	15,045
Payable after one year	28,444	38,084

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

20 Loans and overdrafts

(Continued)

The bank loans relates to a bounce back loan of £50,000 taken in December 2020, with a repayment holiday until January 2022 with a five-year repayment term. This is an unsecured loan with a 2.5% interest rate.

The other loans relates to a social investment loan of £70,000 issued in August 2017 with a five-year repayment term. This was an unsecured loan with a 7% interest rate and was repaid in the year.

FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

21 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 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 31 March 2023
	£	£	£	£	£	£	£	£
Capital grants	3,569,134	-	(95,240)	(3,473,894)	-	-	-	-
Exhibition and commission	-	94,521	(94,521)	-	-	63,584	(63,584)	-
Learning and participation	-	73,440	(73,440)	-	-	85,718	(85,718)	-
	<u>3,569,134</u>	<u>167,961</u>	<u>(263,201)</u>	<u>(3,473,894)</u>	<u>-</u>	<u>149,302</u>	<u>(149,302)</u>	<u>-</u>

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

**FACT LIVERPOOL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

22 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 2021	Transfers	Balance at 1 April 2022	Transfers	Balance at 31 March 2023
	£	£	£	£	£
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	(24,494)	3,550,847
	<u>290,075</u>	<u>3,575,341</u>	<u>3,865,416</u>	<u>(24,494)</u>	<u>3,840,922</u>

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.

23 Capital commitments

The top floor project at our premises at 88 Wood Street, Liverpool with a value of circa £200k.

**FACT LIVERPOOL
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FOR THE YEAR ENDED 31 MARCH 2023**

24 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:

	2023	2022
	£	£
Within one year	-	1,114
	<u> </u>	<u> </u>

Lessor

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

	2023	2022
	£	£
Within one year	5,000	5,000
Between two and five years	19,583	24,583
	<u> </u>	<u> </u>
	<u>24,583</u>	<u>29,583</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.

25 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
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate remuneration	170,043	165,841

There were no other related party transactions in the year.

27 Cash generated from operations

	2023	2022
	£	£
Net income for the year (as per the statement of financial activities)	(100,318)	354,698
Adjustments for:		
(Gain)/loss on disposal of tangible fixed assets	-	458
Amortisation of intangible assets	-	7,574
Depreciation of tangible fixed assets	128,256	125,153
Movements in working capital:		
Decrease/(increase) in debtors	54,379	(265,817)
Increase/(decrease) in creditors	131,022	(61,137)
Net cash provided by operating activities	213,339	160,929

28 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.