

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

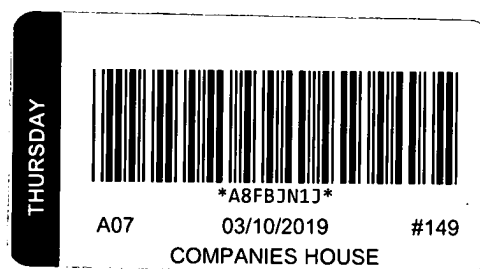
ANNUAL REPORT AND ACCOUNTS

for the year ended

31st March 2019

REGISTERED NUMBER: 02391543

CHARITY NUMBER: 702781



THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Annual Report and Accounts for the year ended 31st March 2019

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Company Information 31st March 2019

Incorporated in England and Wales on 11th June 1999

Company number: 02391543

Charity number: 702781

Trustees: Rachel Higham (Chair)
Prof. Dinah Birch
Pat Connor (resigned 31 March 2019)
Andrea Cooper (resigned 25 January 2019)
Caroline Davies (resigned 15 May 2019)
Mark Gorton (resigned 20 November 2018)
Neil McConnon (resigned 1 February 2019)
Wayne Scholes (resigned 17 April 2019)
Simon Sprince
Emlyn Williams
Prof. Joe Yates
Ngunan Adamu
Matthew Balnaves (appointed 3 June 2019)
Sheralee Lockhart (appointed 3 June 2019)

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

Statutory auditor: Wilson Henry LLP
145 Edge Lane
Liverpool
L7 2PF

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

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Report of the Trustees for the year ended 31st March 2019

The directors, who are the trustees of the charity, present their annual report and the audited accounts for the year ended 31st March 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2015) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

Governing document

The charity is a company limited by guarantee and 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 and 19th April 2004. It is registered as a charity with the Charity Commission. The trustees have the power to admit any person to membership and also have the power to remove members. There are currently 8 members of the charity, each of who agrees to contribute a sum not exceeding £1 in the event of the charity being wound up.

Appointment of trustees

The trustees are appointed by the members in general meeting and are collectively known as the Council of Management or the Council. At each AGM, one fourth of the trustees retire by rotation, being the longest in office and are eligible for re-election. Other than a retiring trustee, the only people eligible for election as trustees are those either nominated by the Council or by a member giving notice in writing, in the prescribed time, of the intention to nominate a person for election and also a notice in writing signed by the person of their willingness to be elected. The prescribed time is not less than 4 and not more than 28 clear days from the time the notice is served or deemed to be served of the meeting.

The Council has the power to co-opt trustees to fill a vacancy or as additional trustees. Such trustees only hold office until the next AGM.

The trustees who served during the year, together with any changes up to the date of approving this report are listed on page 1.

Trustee recruitment, induction and training

New trustees are appointed after a recommendation from staff or existing trustees, or from external agencies such as Arts Council of England. Two members of Council interview prospective trustees and their decision is then conveyed to the full Board meeting for ratification. 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 Council, which must not be less than seven members and not more than fifteen, administers the charity and meets as necessary but not less than 4 times a year. The day-to-day operations of the charity are the responsibility of the Director and the Senior Management Team, to whom the trustees have delegated authority for operational matters including finance, employment and development, within the overall strategy agreed by the Council.

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Report of the Trustees (continued) for the year ended 31st March 2019

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.

Public benefit

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

- Free to access exhibitions within the FACT Centre building
- Free to access and low-cost workshops, events, lectures and conferences 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.

Objectives and activities

The principal charitable object for which the charity was established as defined in the Memorandum and Articles of Association is:

"To advance the aesthetic education of the public, primarily but not exclusively of persons resident in Merseyside and the neighbourhood, by promoting, assisting and encouraging public knowledge and appreciation of the arts of film and video."

A refresh of the charitable objective and Articles of Association is currently being undertaken.

Key aims and objectives

Our Mission is to work in partnership with internationally renowned artists and cultural organisations to commission and produce world-class art that explores the technology-enabled world we live in. We bring this excellence to Liverpool to engage and inspire its diverse communities.

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Report of the Trustees (continued) for the year ended 31st March 2019

Our aims to achieve this are threefold:

- A world-class Artistic Programme that commissions and produces exhibitions and creates opportunities for the public to engage with the work.
- To work with a broad range of audiences and communities to develop meaningful engagement with what we do in ways that harness the creativity of local people to build and share their skills.
- A high-profile organisation with a high-performing team that creates organisational resilience and financial sustainability

These aims are each underpinned by a range of objectives and key performance indicators covering all aspects of the organisation's ambitions.

2018/19 Achievements and performance

FACT has produced a highly ambitious and excellent programme of work in 2018 to mark the tenth anniversary of Liverpool's 2008 Capital of Culture year. Through building partnerships and raising significant additional project funding and sponsorship for many of our programs, we have continued to consolidate our integrated programming strategy across all strands, with artistic excellence, talent development and audience engagement as main drivers. In addition, we have refreshed the brand for FACT and launched our new website.

Exhibitions in 2018/19

States of Play: Roleplay Reality (22nd March to 17th June 2018)

Our Spring Season began with a big focus on popular culture and audience development. It was co-produced with the Crafts Council as a second chapter to States of Play, an exhibition in the context of Hull 2017 UK City of Culture which explored ideas around play and creativity. At FACT, it was co-curated between own Lesley Taker (Producer/Curator at FACT) and Lucy Sollitt (an emerging independent creative professional working across the arts and technology sectors) and focused on the digital side of play through videogames and gaming. Designed as an immersive and interactive experience. The exhibition considered how roleplay can be used as a tactic to reflect, contest and move beyond real-world power structures, and how the game realm and the 'real world' are impossible to separate. Evaluation has demonstrated its success in terms of visitor figures exceeding target and visibility, including on BBC Radio 4 and Liverpool Echo, alongside numerous blogs and other digital coverage.

The launch of States of Play showcased the potential for collaboration between the arts, the creative industries, and the research sectors. The day was delivered in partnership with LCR Activate and the Binary Festival 2018, a yearly initiative with the remit of celebrating Liverpool's blossoming digital community. LCR Activate held a 'State of the Art' event around AI and game interaction. The shared keynote for Binary Festival 2018 was delivered by Lydia Nicholas from UCL, focusing on futures and the ethical and cultural implications of gaming technologies.

Liverpool Biennial (14th July to 28th October 2018)

The 10th edition of Liverpool Biennial 'Beautiful World, Where are You?' invited artists and audiences to reflect on a world in social, political and economic turmoil. Within this context, FACT showcased new and existing works from two artist-filmmakers at very different stages of their career: Agnès Varda and Mohamed Bourouissa. A new commission by artist Morehshin Allahyari was also hosted online, in partnership with the Biennial and the Whitney Museum of American Art.

Legendary French filmmaker Agnès Varda, and The Serpentine Artistic Director, Hans Ulrich Obrist opened the Biennial with a sell-out in-conversation event. Varda's work highlights the importance of reflection and revisitation within her own work, stimulating questions around temporality and the rhythm of human life. A programme of weekly screenings of her works, and a personally curated selection of films to accompany her own, has taken place in partnership with Picturehouse, with many screenings sold out.

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Report of the Trustees (continued) for the year ended 31st March 2019

Aurora (21st September to 7th October 2018)

Following a successful community launch and public opening that was attended by Liverpool City Council, Arts Council England, the British Council, and key regional and national stakeholders, Aurora received 4,356 attendances, of which 3,876 were paid for. Over 200 people from local community groups attended the Aurora preview day. We recruited 35 volunteers and recorded 720 volunteer hours.

The work was also represented online through the Aurora App. There were 20,175 views of the Aurora website and 23,754 views of our internally-produced video trailer. 2 education workshops were run with our Digital Ambassadors as part of the Young at Art programme. 4 local schools worked with the artists on the soundtrack for the installation and recorded a performance at Toxteth Reservoir, and 205 young people were engaged.

The opening week release of the main trailer with actual footage of the experience was a huge boost to ticket sales. BBC Radio Merseyside interview and a 5-star Liverpool ECHO review at the end of opening week in addition to positive reviews and online responses led to tickets being sold out.

The project was a departure from FACT's usual programme, but the artwork has been incredibly well-received, and it won the Liverpool City Region Tourism Award for Small Event of the Year.

The LEP Aurora Visitor Report concluded: "The Aurora project has undoubtedly been a considerable success – in terms of providing a highly distinctive and immersive visitor experience, and an inspiring example of how disused or underutilised locations can be creatively and inspiringly repurposed to great effect. In a broader context, FACT have further enhanced and consolidated the city's distinctive cultural offer, whilst creating a project that celebrates, educates and surprises outside of a conventional setting.

By locating the project in the community, findings show there has been considerable visits from within the local area – notably in groups that are traditionally harder to reach and engage with in traditional exhibition spaces and venues. Aurora has created a sense of surprise and delight. The physical, immersive and stimulating nature of the project has become a talking point and built considerable – and positive – word of mouth, as the satisfaction levels demonstrate.

The installation has been perceived to offer good value for money, and the pricing strategy has been validated through the price points indicated to be acceptable to the majority of visitors. As a project that has embraced the use of technology as both a component of the installation and as means of disseminating further resource and information, the recall and influence given to FACT's digital channels highlights the success digital planning and campaigning to stimulate engagement as well as creating awareness."

Strata - York and Panama (27th September to 25th November 2018)

This collaboration between FACT and York Art Gallery was launched as part of York Mediale with FACT's former director, Mike Stubbs, in conversation with eminent artist, Isaac Julien. Curated by Mike Stubbs, the exhibition featured moving image, new media and interactive artwork, bringing together natural science, philosophy, art and contemporary life. It examined not only geological strata, but also explores a timely and contemporary poetic layering of human curiosity, exploration and reflection on the universe. FACT provided equipment hire and technical management. Partnerships with Goethe and IFA were secured.

An iteration of the exhibition, featuring Ryoichi Kurokawa and David Jacques, has toured to Museo de Arte Contemporáneo in Panama City in November 2018, alongside a selection of local artists, including Juan Cortes. FACT was credited as coproducer.

Broken Symmetries (22nd November 2018 to 3rd March 2019)

The last exhibition of 2018 marked the culmination of our three-year partnership with CERN. Broken Symmetries brought together artists who aim to understand and question the physical world by navigating the shifting realities of modern science. Through scientific and artistic collaborations, new questions and connections were raised that may contribute to the understanding of the hidden world, and the impact it has on our lives. These encounters enrich and

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Report of the Trustees (continued) for the year ended 31st March 2019

diversify scientific thinking whilst simultaneously providing endless material for artistic inquiry. This approach to collaboration not only impacts and reinterprets the work of both scientists and artists, but also refocuses the importance of cross-disciplinary exploration: illustrating the necessity of different perspectives and approaches in the creation of coherent understanding.

FACT is Executive Producer for the commissioning of ten new artworks. Julieta Aranda (MX/DE), Diann Bauer (US/UK), James Bridle (UK/GR), Juan Cortés (CO), hrm199 (Haroon Mirza in collaboration with Jack Jelfs)(UK), Yunchul Kim (SK), Lea Porsager (DK), Suzanne Treister (UK), Semiconductor (UK), Yu-Chen Wang (TW/UK). Artist relationships and production processes have been managed by FACT's Programme team in collaboration with curators Jose-Carlos Mariategui (freelance curator), and Monica Bello (CERN).

Broken Symmetries is the latest outcome of the Collide International Residency award: one of the core programmes of Arts at CERN since 2011 and a collaboration with FACT, Liverpool for the last three years. Co-production and touring partners have been confirmed until mid-2020 - CCCB in Barcelona, Le Lieu Unique in Nantes, and iMAL in Brussels.

The opening events on 22 November was delivered in partnership with Liverpool John Moores University and The University of Liverpool, with events focused on artistic explorations of research and new scenarios for art and science enquiry. Tickets were sold out.

Living Room of the Future (2nd to 4th November)

FACT was invited by the British Council in the Western Balkans alongside the BBC to deliver a two-day workshop in the PlayUK event in Skopje, Macedonia on the Living Room of Future, which was rebuilt especially for the event. FACT supported the appointment of a curator from the UK charged with bringing together games-related businesses that showcased UK Games activities and supported connections between the UK and the Western Balkans creative businesses. Outputs included attendance at conference, participation in an interactive Workshop with 20 creatives from across Western Balkans, a 30-minute interview for local TV documentary, acting as a panellist on public discussion about collaboration between arts and other sectors, and the sharing of a 4-minute BBC documentary, shot at FACT and including all partners.

Resolution (Learning Programme for Older adults)

Funded by the Paul Hamlyn Foundation, this three-year programme brings together participants within the criminal justice system, artists and staff to collaboratively produce a series of new artworks, which critically explore their understanding and experience of the world, both within the criminal justice system and beyond. The programme started in January 2019.

Young at Art – (Learning Programme for Older adults and intergenerational)

Young at Art engages with over-60s to creatively explore art, technology and culture towards an active notion of digital agency. The project follows methodologies of experiential learning as well as peer-led learning. It brings together three leading Liverpool institutions in the fields of arts based learning and social engaged arts practice. Past activity has focused on Liverpool's heritage inspired by Aurora and intergenerational activities with Toxteth school. Currently working on Broken Symmetries, STEAM, and art as a platform to learn about science and technology.

The project is funded by ACE's Celebrating Age Fund, and FACT is working as Executive Producer with Open Eye Gallery and the Happy Older People's Network, National Museums Liverpool). It is a three -year partnership until 2021.

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Report of the Trustees (continued) for the year ended 31st March 2019

Womxn is Work

Womxn is Work was an eight-week learning project, as part of The Future World of Work programme to celebrate 100 years since the suffragettes secured the first Women's votes. It was led by artist/activist Liv Wynter, in collaboration with Liverpool based collective, Grrrl Power and an intergenerational group of 14 young people and adults who identify as female or non-binary. Together the group co-designed a direct action that questions the unrecognised labour undertaken. A final sharing event in collaboration with The Studio School took place in December 2018.

FACT Futures (Young People and Schools)

This year-long LEADER Funding programme, part of Rural Development Programme for England, working through Cheshire East District Council, was aimed to 14 to 19-year olds in rural areas. It has provided skills-development and learning experiences to 1046 participants, delivered 16 workshops, and produced 2 resources. The programme ended in November 2018.

Financial Review

The financial results for the year are set out on pages 16 to 34. The charity had net incoming resources on unrestricted funds of £75,377 (2018: £9,944).

The subsidiary, FACT Trading Limited, started trading on 1 April 2018 making a profit of £NIL for the financial year (2018 profit £Nil), after allowing for a management fee payable to the Charity of £nil (2018: £Nil), and a gift aid donation of £14,967 (2018: £Nil).

The results reflect a difficult trading year that saw significant fundraising challenges and high costs to deliver an ambitious programme of work. A transformation and financial turnaround programme was put in place to reduce and control costs and develop more focused income generation plans. 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.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. 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 budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

As a result, the Trustees are confident about the financial future of the charity and satisfied that these accounts are prepared on a going concern basis.

Reserves Policy

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

At the year end the group had free reserves of £44,209 (2018: negative free reserves of £25,007), consisting of unrestricted reserves of £194,944 and commitments for future depreciation of unrestricted fixed assets of £150,735. During the year the trustees have continued to take action to improve the reserves position, and continually monitor the cost base, the plans for income generation, and plans for margin generation.

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Report of the Trustees (continued) for the year ended 31st March 2019

Related Parties and Co-operation with other organisations

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

Remuneration of key management personnel

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

Changes in fixed assets

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

Events since the year end

In the opinion of the trustees, no events since the balance sheet date significantly affect the charity's financial position.

Plans for 2019/20

FACT's mission is to work in partnership with internationally renowned artists and cultural organisations to commission and produce world-class art that explores the technology-enabled world we live in. We bring this excellence to Liverpool to engage and inspire its diverse communities. Our plans for 2019/20 to achieve this include:

Ericka Beckman and Marianna Simnett (29th March to 16th June 2019)

FACT's first exhibition of 2019 features two artists who both use technology and classic tropes of fairy tale storytelling to create artworks that are alluring and repelling, sensual and troubling.

Ericka Beckman uses the imagery, style and language of early computer games - as well as the rigid structures and rules of gaming - to examine the perceived need for women to adhere to societal norms in order to achieve what is expected of them. The characters depicted in her films are seen never fully succeeding in satisfying the requirements of the "game" they're in, providing a critique of the limitations and demands placed on women in society. Both films rewrite fairy tales using the innovative technology of the 80's to explore female identities in our post-industrial world.

Marianna Simnett's visceral language combines mythology and surgery to create tales of morality. Themes of corruption and innocence depict illness and disease, commenting on gender divides in our cultures. Through video and installation, Simnett challenges how bodies are perceived and imagined against a repressive society of control.

Laura Callaghan Mural (29th March 2019 to 7th March 2020)

At the heart of our Learning Space is a new mural by Irish illustrator, Laura Callaghan. Her vibrant, dense artwork focuses on the lives, labours and rituals of those who identify as female and non-binary and connects to our major themes for 2019.

Part fashion illustration, part satire, Laura creates images that are ostensibly bright and beautiful but also cultivate a sense of mystery or unease. This new work, which is Callaghan's largest commission to date, takes inspiration from the depth and symbolism of the multilayered Mexican murals of the 1920s and the social commentary of Grayson Perry's tapestries. It is filled with fearless characters of all ages, ethnicities, genders and body types that interact with each other and the symbolic objects around them. Every object, scene and interaction acts as a reference to each of

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Report of the Trustees (continued) for the year ended 31st March 2019

our 2019 programmes, and highlights some of the key themes including identity, representation, gender, fairy tales, work and subculture.

Arrival City (17th May 2019 to 23rd June 2019)

Continuing our year-long exploration into issues of representation, Arrival City seeks to explore both the visible and invisible factors that contribute to the formation of our identity, and thus our agency and place within society. Arrival City presents a portrait of Liverpool, and especially L8, as a city of immigration. Liverpool's historic status as an important port city makes it one of the most unique 'arrival cities' in the UK, with many layers of history still making up the identities of people who have lived here for generations. This past has influenced the architectural character of the city - we walk through streets named after celebrated anti-abolitionists, and past grand buildings paid for by slave-traders. However, thriving areas such as L8 demonstrate the power and solidarity that exists within communities made up of many cultures.

L8's relationship with immigration is multi-layered, made up of different pasts and presents. This abundance of perspectives can be heard in the poetry, spoken word, and music of the area's artists. Arrival City seeks to understand these points of difference through the timeless ritual of conversation: creating a space for exchange, whether through storytelling, poetry and music, or simply open discussion.

Summer 2019

Summer marks the culmination of our Future World of Work programme, developed in partnership with Liverpool City of Culture as part of the Capital of Culture 10th Anniversary celebrations. It will revolve around a major new commission by New York-based artist Liz Magic Laser. In Real Life places the focus on precarious labour and tech self-care by highlighting the experiences of five local and international gig-workers.

Winter 2020

Our Autumn/Winter Season aims to foreground gender politics and their intersection with issues of race, class and sexuality. It reflects our commitment towards greater organisational inclusivity, and to expanding FACT's thinking by developing new perspectives and broadening the scope of our programme and audiences.

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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Report of the Trustees (continued) for the year ended 31st March 2019

Statement of trustees' responsibilities (continued)

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

Trustees' statement of disclosure of information to the auditors

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

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

Auditors

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

This report was approved by the Board of Trustees on 12th September 2019, and signed on its behalf by:



Rachel Higham
Chair of the Board

88 Wood Street
Liverpool
L1 4DQ

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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure and the group's cash flows 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The consolidated financial statements and parent charitable company financial statements (the "financial statements"), which are prepared by The Foundation for Art and Creative Technology, comprise:

- the consolidated and parent charitable company balance sheets as at 31 March 2018;
- the consolidated statement of financial activities for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with *International Standards on Auditing (UK and Ireland)* ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

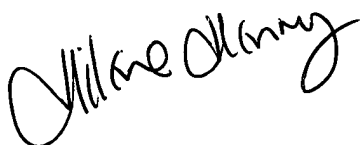
Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Hilene Henry (Senior Statutory Auditor)
for and on behalf of Wilson Henry LLP
Chartered Accountants and Statutory Auditors
Liverpool
12th September 2019

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Consolidated Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31st March 2019

	Notes	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
		£	£	£	£
Income from:					
Donations and legacies	2	1,132,131	0	1,132,131	1,142,815
Charitable activities	3	551,884	964,796	1,516,680	904,959
Other trading activities	4	74,645	0	74,645	45,761
Other income	5	0	0	0	0
Total income		1,758,660	964,796	2,723,456	2,093,535
Expenditure on:					
Raising funds	6	229,431	0	229,431	172,350
Charitable activities	7	1,453,852	1,060,036	2,513,888	2,006,481
Total expenditure		1,683,283	1,060,036	2,743,319	2,178,831
Net income/(expenditure)	10	75,377	(95,240)	(19,863)	(85,296)
Reconciliation of funds:					
Total funds brought forward		119,567	3,854,854	3,974,421	4,059,717
Total funds carried forward		194,944	3,759,614	3,954,558	3,974,421

All income and expenditure relate to continuing operations.

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

The notes on pages 16 to 29 form part of these accounts.

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Balance Sheets as at:
31st March 2019

Company Number: 2391543

	Notes	Consolidated		Company	
		2019	2018	2019	2018
		£	£	£	£
Fixed assets					
Tangible Assets	14	3,892,196	3,982,167	3,892,196	3,982,167
Intangible Assets	14	26,509	15,148	26,509	15,148
Investments	15	0	0	1	1
		3,918,705	3,997,315	3,918,706	3,997,316
Current assets					
Debtors	16	421,136	410,947	418,772	410,141
Cash at bank and in hand		19,067	23,595	15,637	23,595
		440,203	434,542	434,409	433,736
Creditors: amounts falling due within one year	17	365,133	408,115	360,145	408,115
Net current assets		75,070	26,427	74,264	25,621
Creditors: amounts falling due after more than one year	18	39,218	49,321	39,218	49,321
Total Net Assets		3,954,558	3,974,421	3,953,753	3,973,616
Charity Funds					
Unrestricted funds - general	24	194,944	119,567	194,139	118,762
Restricted funds	24	3,759,614	3,854,854	3,759,614	3,854,854
Total funds	25	3,954,558	3,974,421	3,953,753	3,973,616

These accounts were approved by the trustees and authorised for use on 12th September 2019, and are signed on their behalf by:



Rachel Higham
Chair of the Board

The notes on pages 16 to 29 form part of these accounts.

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Consolidated Statement of Cash Flows For the year ended 31st March 2019

	Notes	2019 £	2018 £
Cash Flow from Operating Activities	26	68,852	(15,553)
Cash Flow from Investing Activities			
Payments to acquire fixed assets		(64,189)	(92,140)
Receipt from social investment loan		0	70,000
Repayment of social investment loan		(12,692)	(7,987)
Receipts for Elaine Riley Bursary Fund		3,500	0
Net Cash Flow from Investing Activities		(73,381)	(30,127)
Net increase (decrease) in cash in the year		(4,529)	(45,680)
Cash and cash equivalents at start of year		23,595	69,275
Cash and cash equivalents at end of year		19,066	23,595
Cash and cash equivalents consist of:			
Cash at bank and in hand		19,067	23,595

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

1. Summary of significant accounting policies

(a) General information and basis of preparation

The Foundation for Art and Creative Technology is a limited company by guarantee and a registered charity in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on pages 3 and 4.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

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

(b) Funds

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

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

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

(c) Income recognition

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

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

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

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

1. Summary of significant accounting policies (continued)

(c) Income recognition (continued)

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

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

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

(d) Expenditure recognition

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

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

(e) Support costs allocation

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

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

The analysis of these costs is included in note 8.

(f) Fixed assets

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

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

1. Summary of significant accounting policies (continued)

(f) Fixed assets (continued)

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

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

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

(g) Investments

Investments in subsidiaries are measured at cost less impairment.

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

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

(i) Loans and borrowings

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

(j) Concessionary loans

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

(k) Provisions

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

(l) Operating leases

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

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

1. Summary of significant accounting policies (continued)

(m) Foreign currency

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

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

(n) Employee benefits

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

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

(o) Tax

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

(p) Going concern

The financial statements show a net current asset position of £75,070 (2018: £26,427)). The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern. Having regard to this matter, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

Note 2 - Income from Donations and Legacies		Unrestricted Funds	
		Total 2019	Total 2018
		£	£
Revenue Grants			
Arts Council England		1,005,909	1,005,909
Liverpool City Council		124,164	134,961
Donations			
Sundry Donations		2,058	1,945
		1,132,131	1,142,815

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

Note 3: Income from Charitable Activities				
	Grants	Other earned income	Total	Total
	£	£	2019	2018
			£	£
Income receivable				
Exhibitions & commissions	604,515	151,819	756,334	223,413
Collaboration programme	217,257	11,584	228,841	241,176
Media services	0	35,123	35,123	43,692
Support - Marketing	0	19,301	19,301	19,730
Recharges to third parties	0	311,328	311,328	260,694
Museums & Galleries Tax Relief	0	164,369	164,369	56,671
Other Income	0	1,385	1,385	59,583
	821,773	694,908	1,516,680	904,959
Deferred income				
	Received	Brought forward	Carried forward	Total
	£	£	£	2019
				2018
				£
Project grants - restricted funds				
Exhibitions & commissions	492,197	120,295	7,977	604,515
Collaboration programme	217,257	100,241	100,241	217,257
	709,455	220,536	108,218	821,773
				271,797
Other earned income - unrestricted funds				
Exhibitions & commissions	151,819	0	0	151,819
Collaboration programme	11,584	0	0	11,584
Media services	35,123	0	0	35,123
Support - Marketing	19,301	0	0	19,301
Recharges to third parties	311,328	0	0	311,328
Other Income	1,385	0	0	1,385
	530,539	0	0	530,539
				546,491

Note 4: Income from other Trading Activities			Unrestricted Funds	
			2019	2018
			£	£
Events Management			74,645	45,761
Note 5: Other Income			Unrestricted Funds	
			2019	2018
			£	£
Profit on sale of tangible fixed assets			0	0

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

Note 6: Expenditure on Raising Funds

	Direct Costs £	Support Costs £	Total 2019 £	Total 2018 £
Commercial Operations	7,689	88,350	96,039	59,767
Fundraising and Development	65,658	67,735	133,393	112,583
	73,346	156,085	229,431	172,350

Note 7: Expenditure on Charitable Activities

	Direct Costs £	Support Costs £	Total 2019 £	Total 2018 £
Exhibition & Commission	1,058,278	417,624	1,475,902	889,020
Collaborat'n Programme	311,321	365,978	677,299	726,724
Media Services	2,415	254,577	256,992	280,090
Research & Innovation	70,492	33,202	103,695	110,648
	1,442,507	1,071,382	2,513,888	2,006,481

£360,687 (2018: £390,738) of the above costs were attributable to restricted funds and £2,153,201 (2018: £1,615,744) of the above costs were attributable to unrestricted funds.

Note 8: Allocation of Support Costs - 2018/19

	Raising Funds £	Exhibition & Commission £	Collaborat'n Programme £	Media Services £	Research & Innovation £	Total £
Management Salaries	28,878	80,232	118,640	53,665	14,439	295,853
Staff-related Expenses	1,811	5,031	7,439	3,365	905	18,551
Establishment Expenses	15,121	179,158	110,870	129,714	7,560	442,423
Marketing Costs	6,650	66,498	50,539	6,650	2,660	132,996
Depreciation	4,880	57,824	35,784	41,866	2,440	142,794
Office Costs	2,985	8,294	12,264	5,547	1,493	30,583
Information Technology Costs	2,885	8,016	11,853	5,362	1,443	29,558
Insurance Costs	3,451	9,587	14,176	6,412	1,725	35,351
Bank Charges	473	1,313	1,942	878	236	4,842
Governance Costs	602	1,672	2,472	1,118	301	6,164
	67,735	417,624	365,978	254,577	33,202	1,139,116

Bases of cost allocations

Property costs are allocated firstly on the basis of space to the charitable activities and to support costs in respect of all shared space. The shared space is allocated on the basis of the staff numbers.

Marketing costs are allocated on the basis of the estimated share of the value of the services to each of the main charitable areas.

Depreciation, on shared assets, is allocated on the basis of staff numbers.

Other costs are allocated on the basis of staff numbers.

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

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

Note 8: Allocation of Support Costs

	Raising Funds £	Exhibition & Commission £	Collaborat'n Programme £	Media Services £	Research & Innovation £	Total £
Management Salaries	25,166	66,726	117,800	42,662	14,381	266,735
Staff-related Expenses	2,287	6,063	10,703	3,876	1,307	24,235
Establishment Expenses	12,386	149,059	99,286	107,105	7,077	374,914
Marketing Costs	7,822	78,222	59,449	7,822	3,129	156,444
Depreciation	4,057	48,830	32,525	35,086	2,318	122,817
Office Costs	2,333	6,186	10,921	3,955	1,333	24,728
Information Technology Costs	3,309	8,774	15,489	5,610	1,891	35,072
Insurance Costs	3,028	8,029	14,174	5,133	1,730	32,095
Bank Charges	543	1,440	2,542	921	310	5,756
Governance Costs	1,931	5,119	9,037	3,273	1,103	20,463
	62,861	378,446	371,928	215,444	34,580	1,063,259

Note 9: Governance Costs			2019	2018
			£	£
Trustee Expenses			82	55
Auditor's Remuneration			5,000	5,000
Support Costs			1,082	15,408
			6,164	20,463
Note 10: Net Income/Expenditure for the Year			2019	2018
			£	£
This is stated after charging (crediting):				
Auditor's Remuneration				
- Audit Fees			5,000	5,000
- Non audit services			0	0
Depreciation of tangible fixed assets			142,794	144,702
Profit on disposal of tangible fixed asset			0	0
Operating Lease Rentals			9,371	7,895
			157,165	157,597

Note 11: Auditors Remuneration

The Auditor's remuneration amounts to an audit fee of £5,000 (2018: £5,000).

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

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

None of the trustees (or any persons connected with them) received or waived any remuneration during the year (2018 - £Nil).

Travel expenses totalling £82 (2018 - £55) were reimbursed to trustees during the year.

Note 13: Staff Costs	2019	2018
	£	£
Group staff costs are as follows:		
Wages and Salaries	771,313	765,102
Social Security Costs	64,576	65,544
Defined Contribution Pension costs	22,045	26,166
	<u>857,933</u>	<u>856,812</u>

	2019	2018
	Number	Number
The average number of employees was as follows:		
Grant and funding Applications	2.00	1.75
Direct Charitable	18.49	17.80
Support	12.32	13.23
	<u>32.81</u>	<u>32.78</u>

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

	2019	2018
	Number	Number
£70,001 to £80,000	1	1

The trustees consider the key management personnel to be the Director Mike Stubbs (resigned 21st September 2018) and the Executive Director Jo Wright (resigned 9th November 2018). The total amount of employee benefits received by key management personnel is £90,822 (2018: £135,766). The trustees have appointed Dr Nicola Triscott as Chief Executive Officer and she took up post on 13th May 2019. In the interim period a management consultant, Matthew Brown, was appointed to undertake a transformation and financial turnaround programme.

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

Note 14: Tangible Fixed Assets					
Group and Company	Leasehold premises	Exhibitions and collaborations equipment	Film and video equipment	Office equipment and fittings	Total
	£	£	£	£	£
Cost or Valuation					
As at 31/03/2018	9,358,111	175,596	360,253	100,595	9,994,555
Additions	27,557	0	0	17,695	45,251
Disposals	0	0	0	0	0
As at 31/03/2019	9,385,668	175,596	360,253	118,290	10,039,807
Depreciation					
As at 31/03/2018	5,438,463	150,929	347,870	75,128	6,012,390
Charge for the period	108,750	4,449	6,930	15,091	135,220
Disposals	0	0	0	0	0
As at 31/03/2019	5,547,213	155,378	354,800	90,219	6,147,610
Net Book Value					
As at 31/03/2019	3,838,454	20,219	5,452	28,071	3,892,196
As at 31/03/2018	3,919,648	24,668	12,382	25,467	3,982,165

The estimated value of the land included in the leasehold's premises that is not being depreciated is £500,000 (2018: £500,000).

Note 14 continued: Intangible Fixed Assets	
Group and Company	Intangible Assets
Cost or Valuation	
As at 31/03/2018	18,935
Additions	18,935
Disposals	0
As at 31/03/2019	37,870
Amortisation	
As at 31/03/2018	3,787
Charge for the period	7,574
Disposals	0
As at 31/03/2019	11,361
Net Book Value	
As at 31/03/2019	26,509
As at 31/03/2018	15,148

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

Note 15: Fixed asset investment

The investment represents the whole of the issued share capital of Fact Trading Limited, a company incorporated in England and Wales, which manages the commercial activities within the FACT Centre.

	2019 £	2018 £
Subsidiary company		
Turnover	110,510	0
Cost of sales	94,988	0
Gross profit	15,522	0
Administration expenses	555	0
Gifts to Charity	14,967	0
Net profit (loss) before taxation	0	0
Taxation	0	0
Net profit (loss) after taxation	0	0
Current assets	20,761	806
Creditors due within one year	19,955	0
Total net assets	806	806

Note 16: Debtors	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Fees Receivable	137,610	169,603	120,278	168,797
Grants and Accrued Income	242,552	113,677	242,552	113,677
Other Taxes	15,390	6,602	15,390	6,602
Amounts owed from Group Undertaking	0	0	14,967	0
Other Debtors	23,771	700	23,771	700
Prepayments	1,810	120,365	1,810	120,365
	421,132	410,947	418,768	410,141

Year ended 31st March 2019

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

Note 21: Accrued Funding Commitment	Under 1 Year	Over 1 Year	Total
	£	£	£
As at 1st April 2018	113,677	0	113,677
Additions during the year charged to income	329,739	0	329,739
Amounts released to income	(200,864)	0	(200,864)
As at 31st March 2019	242,552	0	242,552

Note 22: Contingent Liabilities

Capital Grants

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

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

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

Concessionary Loan

The charity received a concessionary loan from Liverpool City Council in 2004 to assist with major repairs to the FACT Centre. The loan has no specified repayment terms. The value of the loan is regarded as negligible, having been adjusted to fair value over a long repayment term. Should Liverpool City Council require the repayment of the loan over a shorter time period, then the loan would be restated to reflect its value based on the terms agreed at the time.

Note 23: Lease with City Screen Liverpool

FACT has granted a 25-year lease to City Screen Liverpool Limited, to let part of its property on a profit-sharing rent arrangement. The lease began in February 2003, when the FACT Centre opened. Under the terms of the lease, City Screen Liverpool Ltd provides a cultural cinema programme at the FACT Centre.

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

Note 24: Fund Reconciliation

Unrestricted Funds	Balance 01/04/2018 £	Incoming Resources £	Resources Expended £	Transfers £	Balance 31/03/2019 £
Group	119,567	1,758,660	1,683,283	0	194,944
Company	118,762	1,648,150	1,572,773	0	194,139

Restricted Funds	Balance 01/04/2018 £	Incoming Resources £	Resources Expended £	Transfers £	Balance 31/03/2019 £
Group and Company					
Exhibitions & Commissions	0	747,539	747,539	0	0
Collaboration Programme	0	217,257	217,257	0	0
Other Income	0	0	0	0	0
Capital Grants	3,854,854	0	95,240	0	3,759,614
	3,854,854	964,796	1,060,036	0	3,759,614

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

Capital grant received This represents grants for capital expenditure received in earlier years that has been applied during the year.

Cinema repairs The company is awaiting final confirmation of grant support from Liverpool City Council which will clear the balance and enable the company to repay the remaining related loan.

Capital grants expended Capital grants expended represent amounts received and expended on fixed assets. Depreciation is charged to this fund in respect of the related assets.

Collaboration Programme This represents funding received for specific programme(s) of work which are partially complete at the balance sheet date.

THE FOUNDATION FOR ART AND CREATIVE TECHNOLOGY

Notes to the Accounts

Year ended 31st March 2019

Note 25: Analysis of net assets between funds				
Fund balances at 31st March 2019 are represented by:-				
Group	Unrestricted funds	Restricted funds	Total	
	£	£	£	
Fixed assets	159,091	3,759,614	3,918,705	
Cash	19,067	0	19,067	
Social Investment Loan	(49,321)	0	(49,321)	
Elaine Riley Bursary Fund	(3,500)	0	(3,500)	
Other current (liabilities)/assets	69,607	0	69,607	
	194,944	3,759,614	3,954,558	
Company				
Fixed assets	159,091	3,759,614	3,918,705	
Investments	1	0	1	
Cash	15,637	0	15,637	
Social Investment Loan	(49,321)	0	(49,321)	
Elaine Riley Bursary Fund	(3,500)	0	(3,500)	
Other current (liabilities)/assets	72,230	0	72,230	
	194,139	3,759,614	3,953,753	

Note 26: Reconciliation of net movement in funds to net cash flow from operating activities		
	2019	2018
	£	£
Net income (expenditure) for year	(19,863)	(85,296)
Depreciation of tangible fixed assets	142,794	144,702
(Profit)/loss on disposal of tangible fixed assets	0	0
(Increase)/decrease in debtors	(10,185)	(129,620)
Increase / (decrease) in creditors excluding loan repayments	(43,893)	54,661
Net cash flow from operating activities	68,852	(15,553)

Note 27: Constitution

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

Note 28: Pensions

The company operates a number of money purchase pension plans on behalf of the employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £22,034 (2018 - £26,166).