



Award Winning Advice...



Charity Registration No. NIC102754

Company Registration No. NI611278 (Northern Ireland)

FARSET LABS

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2020



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FARSET LABS

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Company number	NI611278
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Independent examiner	Lowry Grant PKF-FPM Accountants Limited 1-3 Arthur Street Belfast Co. Antrim BT1 4GA

FARSET LABS

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FARSET LABS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2020

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity for the year ending 28th February 2019, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes, as well as a direct, public, transparent annual report to our membership and community as a whole.

The financial statements comply with the Charities Act (Northern Ireland) 2008, The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015, The Charities (Annual Return) Regulations (Northern Ireland) 2015, The Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

Chair's Report

As we're coming up to our 8th birthday this coming April, the reporting year marks the period covering our 5th "Birthday" since being successfully registered as a charity in Northern Ireland.

On that note it is worth stating that over those years, Farset's operations, activities and impacts have largely 'stabilised', which is a fantastic testament to the community and organisers who keep things going from day to day.

Year on year, our membership numbers were up more than 15% for the 3rd year in a row to 73 regular members, with additional passive 'associations' in the form of our recently launched "Friend of Farset" programme, where individuals who can't make use of the space regularly can still support our programmes and activities.

Overall occupation and use of the space has stabilised also, taking into account changing economic and logistical factors, particularly increasing 'competition' in the previously absent "Meetup Venue" and Coworking space Ecosystems.

In terms of the Co-working ecosystem, the vibrant Belfast technology scene has seeded a spate of new incubators, hubs, and spaces, along with global coworking trends driven by companies like WeWork, DeskHoppa, and WorkClockwise. While some would characterise the emergence of new coworking spaces in Belfast as being a challenge to Farset Labs, this is unequivocally not the case. Farset Labs is not a serviced office space; it's an educational charity that raises operational funds by providing members access to shared facilities.

FARSET LABS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2020

This simultaneously means that we have operationally complete independence in our core revenue/spending strategy, and additionally, our charitable activities drive the use of the space, not the other way around. Increased options and downstream support pipelines for individuals, teams and startups that grow from the fertile ground of Farset Labs is in our opinion a strength rather than a weakness.

From a meetup venue perspective, this was never a primary revenue generation angle for Farset Labs; we have always granted User-groups and Meetups free hire of the event space on Wednesday evenings as part of our commitment to lower the barrier to entry for anyone trying to experiment in the techno-social space.

When Farset Labs started, there were almost no 'meetup-style' venues other than pubs and cafes' where small specialist groups could meet regularly; this is simply no longer the case.

Infact, many of the groups that got their first-start within Farset Labs have simply "scaled out" beyond our facilities onto larger organisations such as established local/FDI technology firms/organisation, and we have maintained our friendly relationships with these firms such that when groups/individuals come to us, we will often signpost to existing groups, as part of the objects of Farset Labs is to be a neutral collaborating and coordinating entity across a wide range of fields of interest.

It is worth noting that as events and programmes have 'spun out', new or expanded activities take their place, keeping the cadence of the space at a high level, and ensuring that new programmes are given space to experiment and explore.

We believe that the breadth and accessibility of our STEAM programmes and activities demonstrate without any doubt the public benefit this organisation brings to the communities we serve.

Dr Andrew B Bolster
Chair

FARSET LABS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2020

Our purposes and activities

The objects of Farset Labs are the education of the public in STEAM (Science, Technology, Engineering, Arts and Mathematics) and the provision of community accessible workspaces to facilitate STEAM outreach and education in Northern Ireland, primarily focused in the Belfast area.

The strategies employed to achieve the charity's aims and objectives are to:

- Present a broad range of STEAM activities and workshops for the education of the local community
- Cultivate a wide and diverse membership base, with varying experiences, skills, and perspectives to ensure that our operations are informed, varied, and tested rigorously
- Provide shared facilities for amateur and professional practitioners to develop, be that individually as members or collectively in the form of user groups / meetups (which are given access to the event space for free for some slots)
- Focus on involving young people in technology, and encourage a culture in which different age ranges play a complementary part
- Provide opportunities for peer learning and collaborative development between members to support their voluntary / outreach activities (public speaking/mentoring experience, etc)
- Support other groups, organisations, or individuals where their goals align with our charitable aims through collaborations and subsidised resource access.

FARSET LABS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2020

Events and Programmes

Our "CoderDojo" regular coding / electronics club for <18s has continued to be highly attended by a diverse cohort of children from the local community, being empowered to develop their own longer term projects over months rather than hours, ranging from musical plants and light-responsive games based on the Arduino embedded electronics platform (With support from Bare Conductive, including the use of their Conductive Ink for textiles/papercraft projects), up to professional-grade game designs and remote controlled robots. One of the strengths of the CoderDojo programme at Farset Labs is the emphasis on self-directed learning, where volunteer mentors are there to ask the children questions rather than to automatically provide answers; this has directly led to a culture of peer learning within the cohorts, often with the mentors (the chair included) having to admit that (quite rightly) the kids may know more about a specific area than any of the adults in the room!

While this programme originally launched and led by Andrew Bolster, it has since been championed by Claire Wilgar, Hannah Bryson, and most recently, Zoe Gadon-Thompson. Each champion makes their own indelible marks on the programme under their stewardship, with Zoe most recently working hard to increase the 'family friendliness' of the programme, accommodating and encouraging parents of young children who may not be able to participate directly to attend anyway, and providing a wide range of age-appropriate but still 'technically relevant' toys and experiences to engage our very youngest "future technologists".

Median attendance over the duration of the programme has been 12 children per session, with most recent sessions increasing that up to 18, with ages ranging from 3-18 (Average age: 12) and an average gender split of approximately 30% female 'ninjas'.

In addition to these regular events, Farset Labs has also generated bespoke events for youth education, such as customised Sonic Arts programming with Blythefield Primary School; conductive ink workshops with Scoil an Droichid (in association with Digital Arts Studios); programming workshops with the Princes Trust; as well as several school visits and careers talks, sharing the often less-told stories about options to work in the modern knowledge economy.

Looking beyond our youth outreach programmes, our Adult Code Co-op has an emphasis on adult learning and exploration derived from the successes of external programmes like "Functional Kats" and "Belfast Linux Users Group" events, the Co-op operates fortnightly events, mixing between 'Social' events where attendees can bring their own experiments and problems to the group and help each other in understanding the technologies involved, and 'Challenge' events, where particular programming or technical challenges are presented for that session, and individuals (or groups) work on and share their solutions.

As for less regular events, we've continued our partnership with the British Computer Society to deliver bi-monthly "Explain Like I'm 5" events, bringing students, professionals, and amateurs together from a diverse range of experiences and backgrounds, with an emphasis on sharing what people are passionate about in as simple and accessible a way as possible, with lightning talks ranging from the mathematics of longitude, to the chemistry of baking bread, and "batting", the surveying of different species of bat populations by driving around the countryside with a little box that can translate ultrasonic bat calls into a species-identifier.

FARSET LABS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2020

Right at the end of the reporting period, we have what many consider the jewel in the crown of the Northern Ireland Technology and Design calendar; Global Game Jam. For the past 6 years, Farset Labs has been the only open site (except for one year when UUJ operated on for students only) to welcome people into a global collaboration with thousands of developers, designers, artists and makers across hundreds of sites across the world to build games (card/computer/table top/mobile etc) all around a single theme, in 48 hours. This year we were fully booked without days of tickets being released with a total attendance cap at 60 for fire safety considerations, and some 30+ games or prototypes were posted to the Global Game Jam community. With our new expanded facility we expect this capacity to raise to approximately 100 attendees in GGJ 2020.

While not a classical "hackathon", Farset Labs has operated a "Project Room" at the Northern Ireland Developer Conference since the first conference in 2017, where active projects can be shown off (or continue to be worked on) while embedded in the largest gathering the technology community has in Northern Ireland. Additionally, this year we've opened up attendance to the Project Room to include projects from our CoderDojo ninjas (and ninjas from other Dojo's around the province), to showcase and talk about their creations with "real" developers. This, ironically, often intimidates the "adult" developers more than the children!

Ongoing Civic Participation and Representation

Beyond our own events and ongoing programmes, Farset Labs has maintained its participation in wider civic discussions, with our continued seat representing the developer community on the Department of Finances' Open Data Advisory Board, representations to and consultations with Belfast City Council regarding their Smart Cities strategy, collaborations within Weavers Court Business Park to advise Translink on their upcoming neighbouring "Belfast Hub" development, our participation in the "Global Shapers Community" Belfast Hub (made up of social innovators, entrepreneurs, policy shapers, technologists, artists and community leaders, the hub comes together to support and deliver projects on a local, national and international level), as well as many of our membership and management collaborating on the first Northern Ireland Developers Conference, where over 500 developers and technologists came together to share best practices (and often sob stories!).

Access to resources and facilities

Our workshop and working facilities continue to be regularly used by both amateur 'experimentalists' and professional/start-up groups for rapid prototyping, collaboration, and remote working, with a particular increase in the adoption and experimentation in the IoT and Smart Cities space. Ongoing investment in the maintenance of these resources continues to keep pace with operational costs and usage (such as additional prototyping platforms and in AV infrastructure to leverage our high speed fibre network connection).

FARSET LABS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2020

Financial Review

Our pricing policy reflects our strategy of enabling all without our community whatever their means to take part in our activities and have access to our resources in an equitable manner to anyone else.

There are three primary modes of physical access for the community to take advantage of the resources and community in the labs; Membership, Day-Passes, and Event Attendance.

We have not adjusted our baseline "membership" policy in 5 years, with £15pm for students, £25pm "Enthusiast" membership, and £35pm "Freelancer" membership. There are no real differentiators between these levels and represent a structured "pay what you can" approach (Although Freelancers do have priority booking for meeting rooms).

Day-Passes at £5 per day grant users access to the non-workshop facilities (unless they go through specific instruction in the use of that resource).

Event attendees are suggested to donate £3 to un-sponsored or member-run events to cover the baseline costs of the space.

In the non-physical realm, we maintain an active, free to join, community on the Slack platform that both connects our 70+ direct 'members', but also includes some 180 additional 'associates'; people who have been involved in volunteering, attending events, or just come to hang out with like minded individuals where they can't use the physical space that much.

The 'Friend of Farset' programme; a no-entitlement recurring donation system for people who wish to support the organisation but do not have the opportunity to regularly use the physical space, introduced in the previous year, has been a valuable secondary revenue and donation scheme for the charity. We are currently investigating the suitability of this donation model to be extended to include Gift-Aid, however there are no current examples of managed services to provide this automatically.

With regards to the letting of event space for external events/ projects, for example, our primary event space is let at a rate of £25/hr with a 2 hour booking minimum, but at the discretion of the events NEM, this can be discounted for bulk events (i.e. 12 or 24 hour 'hackathons' would not be sustainable under this direct model.)

Additionally, room booking concessions are available for voluntary/community groups and charitable organisations where their activities align with the objects of the charity as a whole.

General Reserves

The organisation should retain at least 6 months core running costs (Rent/Service Charge/Electricity/Heating etc) to provide resilience against revenue or upstream cost variations.

As of September 2019, these are approximated to be £8,000 based on 3 years of amortised baseline costs, increasing based on the ONS CPI rate (2% at the time of writing)

The board of trustees reserves the right to modify this reserve in the event of any supplier notification of change of prices.

FARSET LABS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2020

Designated Funds

The organisation should retain at least £3,000 for unexpected repairs, like-for-like replacements and consumable costs for maintaining capital investments (core infrastructure, security, and workshop equipment in particular)

This valuation is based on the current asset base of approximately £6,000, and assuming that no more than half of the assets will require replacement within one reporting period.

Monitoring of Reserves

A multi-annual financial summary will be available to trustees at all trustees' meetings.

All trustees are responsible for monitoring for breaches, or risks of breaches to, this reserves policy, and should both take measures to remediate this breach, and to record the observation and response, and any further action/monitoring to be completed.

Risk Management

The trustees have a risk management strategy which comprises;

- Establishment and regular review of principal risks and uncertainties that the charity may face
- Regular reviews of policies, systems and processes in place to track and mitigate those risks identified above or on an ad-hoc basis
- Implementation of best-practice procedures to minimise any potential impact on the charity should those risks materialise.

This work has identified that increasing privately operated for-profit 'competition' in the co-working space as a potential risk, but over the reporting period we have not seen any significant downward change in the use or operation of the space; this vindicates the trustees belief that the core charitable operations of the space are more relevant and motivating than the availability of accessible working space alone.

However, the trustees are keenly aware that the expansion of the space incurs non-negligible risk with respect to this market sensitivity. Additionally, the disruption involved in departing the building for renovations will impact our ability to maintain our day-to-day operations and "mindshare" within the community. As such we have updated our reserves policy for the 2019-2020 period to accommodate funds to be set aside both for secondary renovation costs, and to support re-establishing the community in the space and "kickstarting" new programmes towards the end of 2019 and early 2020.

FARSET LABS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2020

As with any mixed-use space, two other non-financial risk factors arise regularly; that of health and safety of users of the space, and child protection of younger members of the community who attend our outreach and education events.

With respect to Health and Safety, we maintain engagement with our insurance company to ensure that our coverage matches the use and risk profile of the space. Also in the reporting period we have undertaken an onboarding and induction training regime for new members wishing to use the workshop, requiring sign-off by one of the KMP as to their competency. There have been no accidents reported during the reporting period.

With respect to child protection, we regularly review our child protection procedures to keep them inline with best practices, and hold regular awareness training for volunteers working with children and/or vulnerable adults. There have been no safeguarding-incidents reported during the reporting period

Plans for future periods

Our plans simple; continue operating and providing the benefit to the community that we have so far achieved. However, we recognise that there are several upcoming economic and logistical factors that will inevitably colour our decisions going forward; in particular increasing upstream costs in terms of fuel/ electricity and rent being the biggest risk factors. We may in coming periods have no choice but to increase our membership prices as a necessity.

One particularly important project for this year (Project Proposal accepted in December 2018) is the Virtual Reality Inclusive Music Making (VRIMM) project, where Farset Labs (Dr Andrew Bolster - Trustee) is operating as a partner to an AHRC funded programme operated by the QUB Sonic Arts Research Center (Dr Franziska Schroeder-PI), the Drake Music Project NI (Michelle McCormack - CEO) and the Hard Rain Soloist Ensemble (Dr Greg Caffery - Artistic Director). is to bring research insights gained from the development of a virtual musical instrument for a musician with cerebral palsy, and the design of an instrument for a blind musician (using VR technology) to a wider group of abled and disable musicians, initially in Northern Ireland, but with the ultimate aim to design VR musical instruments for an audience beyond NI. As we expand music making in a VR environment to a larger audience – that is, beyond professional able bodied and disabled musicians - we are creating an innovative model for the next generation of virtual music performance environments. Specifically, we want to enable access to VR technology to a wider public of music enthusiasts, in order to create a multi-user music environment where more than simply a few musicians with expensive VR headsets can make music together. This programme is already leveraging our relationship with SARC where we are a partner with on an AHRC NPIF (National Productivity Investment Fund) PhD studentship on the application of maker technologies for accessible music generation and curation. The investment in prototyping and educational resources will be reused as part of other partnerships and activities as well as being made available to the wider community in line with our aims and objectives as an educational charity.

FARSET LABS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2020

In the middle of November 2018, we received notification from our landlord that the other tenants in the building, who had occupied the first floor, were departing and we were asked if we wanted to take it on. This scenario had been long discussed within the Farset Labs team, but now we had first refusal on occupying the entire building. However, after surveyors were engaged it was clear that we were going to have to vacate the entire building during a critical part of the year (Spring/Summer 2019) to accommodate essential fire/electrical upgrade works. We are aware of the strain that this puts on our community and operations as a whole so had to take the decisions to a) expand, b) stay in Weavers Court at all very seriously.

After a long process of financial modelling, discussions between the landlord, surveyors and other stakeholders in the almost 140 year old schoolhouse building, the board was satisfied that this expansion would not only be a sustainable investment in the organisation, but could indeed provide an increased measure of stability with the expanded capabilities the expansion would support.

These expanded capabilities include:

Provide up to 40 additional desk spaces upstairs in a bright and airy environment

- Expand our workshop, adding a new fire exit and access control
- Increase the size of our flexible event space and improve AV facilities
- Create a new multipurpose space suited for art projects, teams, startups etc
- Move the lounge upstairs and create a new dedicated meeting room
- Add call booths, a second kitchenette, and additional toilets upstairs
- Provide lift access to the new floor so everyone can use it
- Finally, we will now have a single, unified entrance hallway for both floors

This improved canvas has also prompted us to reevaluate the equipment and facilities in the space, and how we're realising our charitable aims through the use of these facilities.

The updated and expanded event space will support a co-related expansion in our education and outreach activities, increasing per-event capacity by up to 30% depending on configuration. The fundamental re-working of the workshop will provide advanced manufacturing and prototyping resources such as laser cutting and IoT / Electronics test equipment among others, resources that are not currently easily available to our target communities, and the provision of dedicated meeting facilities and re-developed hot-desking capabilities will expand our capacity by almost double.

Structure, governance and management

Governing Document

Farset Labs is a company limited by guarantee, governed by its Articles of Association (last updated 13th May 2016). It is a registered charity with the Charity Commission.

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:

Mr D Wylie

Mr A Bolster

Mr D Kane

Mr Artemiy Knipe

Mr Colin Mitchell

FARSET LABS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2020

Appointment of Trustees

From the governing document, the appointment of Directors to Farset Labs is legally provisioned under clause 17 (1) a where by additional directors are appointed assent of the current quorum of directors, however, in a practical sense this appointment is predicated on an open nomination/election in the community (as an extraordinary meeting), whereby any member of the community can self-nominate for an open run-off election where by at least 50% of the current membership must participate, and within valid candidates there must be a clear majority of support for a given candidate, for the directors to accept the election as a valid expression of support.

New trustees undergo several orientation sessions with the current trustees, and are instructed in the review of relevant legal obligations and statutes relevant to company law, the charities commission guidance on public benefit, and clarify if necessary the contents and spirit of the Articles of Association; the management and decision-making processes within the organisation, any non-public operational plans, and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The core operations of Farset Labs are administered by the board of trustees, currently numbered at 5. The board normally meets twice a month, and also corresponds digitally between meetings to collaborate and track development, outreach, education, finance, operations and facilities on an ad hoc basis.

The wider operation of the organisation is managed in collaboration with a team of Non-Executive Managers (NEMs) to whom the Directors have delegated vertically integrated interests in several specific fields of operation. These roles are governed under a separate document termed the "Operations Manual" (https://www.farsetlabs.org.uk/about/ops_manual.html)

Remuneration Policy for Management

The directors consider the board of directors, who are the charities trustees, and the non-executive management team to comprise the key management personnel (KMP) of the charity in charge of directing, controlling, running and operating Farset Labs on a day to day basis.

In this capacity, no key management personnel of the charity are remunerated, and all give of their time freely.

Outside of this management capacity (i.e. in the case of a KMP having specific, relevant skills related to a funded programme), no KMP's were remunerated during the reporting period.

Related parties and cooperation with other organisations

None of our trustees receive remuneration or other preferential benefit from their work with the charity. Any connection between a trustee or senior manager of the charity to a donor/vendor/sponsor or other collaborating agency must be disclosed to both the board of trustees as part of the trustee nomination policy, and to the wider community as part of their self-nomination. Any changes in their respective professional circumstances must be reported to the full board of trustees at their earliest convenience.

In the current year, no such related party transactions were reported.

FARSET LABS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2020

Disclosure of information to independent examiner

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

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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



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Mr D Wylie

Trustee

Dated: 18th February 2021
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FARSET LABS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 28 FEBRUARY 2020

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

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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



FARSET LABS

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FARSET LABS

I report to the trustees on my examination of the financial statements of Farset Labs (the charity) for the year ended 28 February 2020.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 65 of the Charities Act 2008 (Northern Ireland) (the 2008 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 65(9)(b) of the 2008 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).



FARSET LABS

INDEPENDENT EXAMINER'S REPORT (CONTINUED) TO THE TRUSTEES OF FARSET LABS

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

J. Grant

Lowry Grant FCCA
PKF-FPM Accountants Limited
1-3 Arthur Street
Belfast
Co. Antrim
BT1 4GA

Dated: 18 February 2021

FARSET LABS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income and endowments from:							
Donations and legacies	3	2,644	-	2,644	11,121	-	11,121
Charitable activities	4	2,000	7,500	9,500	6,252	-	6,252
Other trading activities	5	32,284	-	32,284	30,681	-	30,681
Investments	6	11	-	11	4	-	4
Other income	7	520	-	520	508	-	508
Total income		37,459	7,500	44,959	48,566	-	48,566
Expenditure on:							
Raising funds	8	2,323	-	2,323	2,647	-	2,647
Charitable activities	9	41,334	-	41,334	32,861	1,116	33,977
Total resources expended		43,657	-	43,657	35,508	1,116	36,624
Gross transfers between funds		-	-	-	(345)	345	-
Net (expenditure)/income for the year/							
Net movement in funds		(6,198)	7,500	1,302	12,713	(771)	11,942
Fund balances at 1 March 2019		(4,786)	-	(4,786)	(17,499)	771	(16,728)
Fund balances at 28 February 2020		(10,984)	7,500	(3,484)	(4,786)	-	(4,786)

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.

FARSET LABS

BALANCE SHEET

AS AT 28 FEBRUARY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		1,140		464
Current assets					
Debtors	14	5,384		5,929	
Cash at bank and in hand		16,030		9,702	
		<u>21,414</u>		<u>15,631</u>	
Creditors: amounts falling due within one year	16	<u>(6,186)</u>		<u>(1,029)</u>	
Net current assets			15,228		14,602
Total assets less current liabilities			16,368		15,066
Creditors: amounts falling due after more than one year	17		(19,852)		(19,852)
Net liabilities			<u>(3,484)</u>		<u>(4,786)</u>
Income funds					
Restricted funds	18		7,500		-
Unrestricted funds			(10,984)		(4,786)
			<u>(3,484)</u>		<u>(4,786)</u>

FARSET LABS

BALANCE SHEET (CONTINUED)

AS AT 28 FEBRUARY 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 28 February 2020.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 18th Feb 2021



.....
Mr D Wylie

Trustee

Company Registration No. NI611278

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2020

1 Accounting policies

Charity information

Farset Labs is a private company limited by guarantee incorporated in Northern Ireland. The registered office is Unit 1 Weavers Court, Linfield Road, Belfast, Co. Antrim, BT12 5GH, Northern Ireland.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, 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)" (as amended for accounting periods commencing from 1 January 2016). 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 accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has solid income moving forward and adequate arrangements with long term creditors. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

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 Incoming resources

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.

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the advancement of education and activities undertaken to further the purposes of the charity and their associated support costs;
- Other expenditure represents those items not falling into any other heading.

1.6 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 improvements	20% Straight Line
Plant and equipment	20% Straight Line
Fixtures and Fittings	20% Straight Line
Computer Equipment	20% Straight Line

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 net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible 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).

1.8 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.

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

1 Accounting policies

(Continued)

1.9 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.

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

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
	2020	2019
	£	£
Donations and gifts	2,644	11,121
	<u> </u>	<u> </u>

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

4 Charitable activities

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £
Performance related grants	2,000	7,500	9,500	6,252
Analysis by fund				
Unrestricted funds	2,000	-	2,000	6,252
Restricted funds	-	7,500	7,500	-
	2,000	7,500	9,500	6,252
Performance related grants				
University of Ulster	-	7,500	7,500	-
Queens University of Belfast	2,000	-	2,000	-
Other	-	-	-	6,252
	2,000	7,500	9,500	6,252

5 Other trading activities

	2020 £	2019 £
Membership Fees	27,203	24,095
Event Charges	4,185	5,659
Shop income	896	927
Other trading activities	32,284	30,681

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

6 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	11	4
	<u>11</u>	<u>4</u>

7 Other income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Other income	520	508
	<u>520</u>	<u>508</u>

8 Raising funds

	Unrestricted funds	Total
	2020	2019
	£	£
Purchases	2,323	2,647
	<u>2,323</u>	<u>2,647</u>

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

9 Charitable activities

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Programme Costs	4,099	-	4,099	6,902
Share of support costs (see note 10)	36,213	-	36,213	26,211
Share of governance costs (see note 10)	1,022	-	1,022	864
	<u>41,334</u>	<u>-</u>	<u>41,334</u>	<u>33,977</u>
Analysis by fund				
Unrestricted funds	41,334	-	41,334	32,861
Restricted funds	-	-	-	1,116
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
For the year ended 28 February 2019				
Unrestricted funds	32,861	-		32,861
Restricted funds	-	1,116		1,116
	<u>32,861</u>	<u>1,116</u>		<u>33,977</u>

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

10 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Depreciation	537	-	537	614	-	614
Establishment costs	26,161	-	26,161	24,632	-	24,632
Office costs	1,641	-	1,641	285	-	285
Advertising & Marketing	81	-	81	36	-	36
Bank fees	465	-	465	521	-	521
Travel costs	48	-	48	-	-	-
General expenses	7,280	-	7,280	123	-	123
Accountancy	-	1,022	1,022	-	864	864
	<u>36,213</u>	<u>1,022</u>	<u>37,235</u>	<u>26,211</u>	<u>864</u>	<u>27,075</u>
Analysed between Charitable activities	<u>36,213</u>	<u>1,022</u>	<u>37,235</u>	<u>26,211</u>	<u>864</u>	<u>27,075</u>

11 Trustees

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

12 Employees

There were no employees during the year.

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

13 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost					
At 1 March 2019	221	1,815	1,212	1,642	4,890
At 28 February 2020	221	1,815	1,212	1,642	4,890
Depreciation and impairment					
At 1 March 2019	220	1,715	723	555	3,213
Depreciation charged in the year	1	20	217	299	537
At 28 February 2020	221	1,735	940	854	3,750
Carrying amount					
At 28 February 2020	-	80	272	788	1,140
At 28 February 2019	-	-	363	101	464

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	5,384	5,929

15 Loans and overdrafts

	2020 £	2019 £
Directors' loans	58	58
Payable within one year	58	58

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Borrowings	58	58
Trade creditors	5,281	-
Other creditors	37	297
Accruals and deferred income	810	674
	<u>6,186</u>	<u>1,029</u>

17 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Trade creditors	<u>19,852</u>	<u>19,852</u>

18 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:

	Balance at 1 March 2018	Resources expended	Transfers	Balance at 1 March 2019	Movement in funds Incoming resources	Balance at 28 February 2020
	£	£	£	£	£	£
Raspberry Pi Programme	771	(1,116)	345	-	-	-
University of Ulster - Future Screens NI	-	-	-	-	7,500	7,500
	<u>771</u>	<u>(1,116)</u>	<u>345</u>	<u>-</u>	<u>7,500</u>	<u>7,500</u>

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

19 Analysis of net assets between funds

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Fund balances at 28 February 2020 are represented by:						
Tangible assets	1,140	-	1,140	464	-	464
Current assets/ (liabilities)	7,728	7,500	15,228	14,602	-	14,602
Long term liabilities	(19,852)	-	(19,852)	(19,852)	-	(19,852)
	<u>(10,984)</u>	<u>7,500</u>	<u>(3,484)</u>	<u>(4,786)</u>	<u>-</u>	<u>(4,786)</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).