

Charity Registration No. NIC102754

Company Registration No. NI611278 (Northern Ireland)



FARSET LABS

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2021

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ASSOCIATE DIRECTORS: Karen Coulter FCA, Raymond McKeown, Brenda O'Hare FCA, Clara Reilly FCA

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FARSET LABS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Wylie Mr A Bolster Mr D Kane Mr Artemiy Knipe Mr Colin Mitchell
Charity number	NIC102754
Company number	NI611278
Registered office	Unit 1 Weavers Court Linfield Road Belfast Co. Antrim Northern Ireland BT12 5GH
Independent examiner	Lowry Grant FCCA PKF-FPM Accountants Limited 1-3 Arthur Street Belfast Co. Antrim BT1 4GA

FARSET LABS

CONTENTS

	Page
Trustees' report	1 - 12
Statement of trustees' responsibilities	13
Independent examiner's report	14 - 15
Statement of financial activities	16
Balance sheet	17 - 18
Notes to the financial statements	19 - 28

FARSET LABS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2021

Purpose, Beneficiaries and Public Benefits

Farset Labs exists to empower members of the general public to pursue interests in STEAM by providing an accessible workspace, and educating children, youth and adults. Our goal is to cultivate a diverse community of enthusiasts with a wide range of skills across STEAM disciplines.

Beneficiaries of our charity are primarily people living in or visiting Belfast, Northern Ireland.

Public benefits are evidenced by a sustained community of members, long term participants in our educational programmes and frequent usage of our facilities by community groups.

Ongoing collaboration of our membership and community groups on projects, peer-to-peer learning and teaching, and other engagements such as formation of social clubs confirms the positive impact of our community development investments.

Over the years, our facilities have served as a propagation ground for the founding of several community groups by our members that have grown to deliver a positive impact in advancement of education and community development in Northern Ireland.

Cases of benefit to entrepreneurship and employability have been demonstrated through creation of new companies by our members, and by employment of participants in our educational programmes and members.

Emergence of volunteers from our membership base for charitable activities within our organisation and externally affirms success of our volunteer development activities.

Impact of our activities is validated by feedback from the people whose lives were positively impacted by using our facilities, participation in events and membership in the community.

Significant bodies such as NESTA, STEMNET, the Northern Ireland Science Park, Queen's University Belfast, Ulster University, Tibus Connect and Intel Ireland have also shown recognition of the impact of our organisation.

Activities, Objectives and Achievements

Farset Labs runs a hackerspace; a community-operated workspace where people with common interests, primarily in STEAM, can meet, socialise and collaborate. It serves as our base of operations for charitable activities and delivery of the organisation's objectives.

Our objectives support each other in a symbiotic relationship to advance education, art, and science as well as investing in community development.

FARSET LABS

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

FOR THE YEAR ENDED 28 FEBRUARY 2021

Our objectives are:

1. To provide an accessible workspace for promotion of STEAM activities of individuals, community groups and organisations.
2. To educate children, youth and adults in STEAM subjects by coaching self-education, peer-to-peer learning and teaching, and project-based learning.
3. To cultivate a diverse community of enthusiasts in our membership with varying experience levels, individual perspectives and a wide range of skills across STEAM disciplines.

Education of Children, Youth and Adults

Education for the general public in STEAM is key to sustainable, long term benefits for our beneficiaries, where we concentrate on coaching self-education, peer-to-peer learning and teaching, and project-based learning.

New resources were set up by Farset Labs to make engaging programmes online possible, including chat, live streaming and a physical base of operations with technical capabilities.

Programmes

Education programmes are events and engagements organised by the charity and are operated by volunteers. Our programmes aim to educate people through hands-on projects with real world outcomes, and to connect people with shared interests.

In this reporting period, Farset Labs ran 3 educational programmes with 11 individual engagements, all of which were delivered by volunteers: Hack Night, Password Night and Global Game Jam. An estimated total of 106 people took part in our programmes this year.

Children and Youth

Our primary programme for children and youth is Farset Dojo; a regular coding and electronics club for under 18s, which is typically attended by a diverse cohort of children and youth from the local community.

Farset Dojo and other programmes aimed at children and youth were put on pause for the safety of attendees in line with government guidance.

Adults

Global Game Jam at Farset Labs is considered by many to be a jewel in the crown of the NI Technology & Design calendar. Our charity organises a site for Belfast as part of a global hackathon which brings thousands of developers, designers, artists and makers across hundreds of sites across the world to build games. In lockdown we mobilised to run it online bringing together 56 jammers to create 10 games within 2 days.

FARSET LABS

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

FOR THE YEAR ENDED 28 FEBRUARY 2021

HackNight themes ranged from building an electronic locking system that integrates with our membership database to celebrating pride month by decorating our charity's website, where participants learned by doing. An estimate of 40 attendees took part over the course of 8 events.

Password Night aimed to educate people on online privacy and security, with attendees walking away being more secure by the end of the night. Over the course of this programme 10 people took part and improved their online privacy & security. Additionally, instructions for anyone in the world to run their own Password Night was created and are available for free online.

Accessible Workspace for STEAM Activities

Community accessible workspaces to facilitate STEAM outreach and education in Northern Ireland is one of our core contributions to public benefit.

Farsét Labs is locally unique in providing **24/7/365 access** to an event space, communal workspace, technical library, modern high-tech workshop and other facilities for our beneficiaries.

Our ability to provide this benefit was significantly restrained by the global pandemic, given that we provide access primarily to physical facilities. In line with government guidance, we closed our facilities for a major part of the year, and reopened access with a 5-step plan.

Community Groups

Community groups use our facilities free of charge provided they are using them for activities that align with our charitable purposes and don't charge people for participation.

Farsét Labs supported 2 communities organised by local volunteers to run 3 engagements for advancement of education, arts, culture and science, all of which were open to the general public free of charge. Supported events were attended primarily by adults, directly reaching an estimate of 30 total attendees from the general public with indirect wider impact.

Individuals

Individuals use our facilities by coming to free events, buying a visitor pass, or subscribing for a monthly membership. However, anyone under 18 must be accompanied by an adult and can't subscribe for a monthly membership.

Farsét Labs provided an estimate of **50-75 members** with access to our communal facilities for project-based learning, collaboration and general use at the individual's discretion.

Visitors were not able to use the physical facilities until 7th of September 2020, but engaged on our online forums.

FARSET LABS

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

FOR THE YEAR ENDED 28 FEBRUARY 2021

On a typical week, the space is used on all 7 days during the day and night as people come in when it suits their needs, often working around their job schedules. In a typical year, our facilities are used almost 365 days a year. However, this year we have seen significantly lower use of the facilities.

Importantly, our members are the core volunteers in our charitable activities, core source of sustainable income for the charity, and core contributors to maintenance and operation of the facilities.

Supporting Education

Our facilities enable individuals to take on otherwise inaccessible projects. Getting equipment for manufacturing or obtaining electronics for exploring a technology is predicated with a financial investment that can stop an idea in its tracks.

By pooling finances we significantly improve the accessibility to these resources and open the doors to a wide range of new opportunities in project-based learning for our beneficiaries.

Supporting Collaboration

Sharing resources and engaging in project-based learning are the backbone of collaboration between our beneficiaries. Learning to work with the same equipment as those around you encourages people to exchange knowledge and ideas, fostering a culture of peer-to-peer teaching and learning.

Collaborations between visitors, members and our charity have resulted in new projects, skill exchanges and a sense of community.

Supporting Community, Operations and Governance

Our charity is operated by volunteers, including the day to day management of our building. It is made possible by visitors and members that spend their time in the space. Shared responsibility is assumed by people in our community and each member is empowered to enact change by our philosophy of do-ocracy.

Governance of the charity is tied to the needs of the members who collectively finance the charity. A monthly community "Town Hall" is held where members can raise issues, propose changes and make requests, including voting on candidates that wish to become Trustees.

Governance

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

FARSET LABS

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

FOR THE YEAR ENDED 28 FEBRUARY 2021

Organisational Structure

The core operations of Farset Labs are administered by the board of Trustees, currently numbered at 4. The board normally meets quarterly, 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 Trustees have delegated vertically integrated interests in several specific fields of operation. These roles are governed under a separate document termed the Operations Manual.

Developments

In the reporting period, we formalised the structure of our Board of Trustees and assigned specific Chair, Secretary and Treasurer positions. Currently, we are iterating on the responsibilities of each role in an ongoing discussion to ensure we meet general and specific needs of our charity.

Trustee Appointment Policy

From the governing document, the appointment of Directors to Farset Labs is legally provisioned under clause 17 (1) whereby additional directors are appointed with the 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.

Remuneration Policy for Related Parties and Organisations

None of our trustees receive remuneration or other incidental 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.

FARSET LABS

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

FOR THE YEAR ENDED 28 FEBRUARY 2021

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

Remuneration Policy for Management

The directors consider the board of directors, who are the charity's 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.

Pricing Policy

Our pricing policy reflects our strategy of enabling all within 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 6 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.

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,

FARSET LABS

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

FOR THE YEAR ENDED 28 FEBRUARY 2021

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 Trustees or Managers, 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.

Reserves Policy

In the interest of Farset Labs continuing on a multi-annual basis, the Board has agreed to establish and maintain an operational reserve to ensure long-term stability of operations, and potentially providing bridges for unexpected upstream costs.

These approximations will be reassessed annually as part of the Trustees Annual Report to the Charity Commission for Northern Ireland, due on the 28th of December (2 months before the Financial Year End; 28th of February).

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 2020, 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.

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.

FARSET LABS

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

FOR THE YEAR ENDED 28 FEBRUARY 2021

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.

Risks Management Policy

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.

Financial Risk

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.

This expansion of our space will inevitably incur increased operating costs such as increased heating and electrical costs, in addition to rising rents across both our existing 'Unit 1' facility, and our new 'Unit 1A' facility. To attempt to ameliorate these costs, we have agreed a five year lease on Unit 1 (our home of nearly 10 years) and are in 'meanwhile' use of Unit 1A until such time as a revenue generating breakeven point is established to the use of the area of the facility.

Related to this, we recognise that we are at increased sensitivity to market changes in the heating and electricity markets, as the more-than-doubling of our space will greatly increase these costs as a proportion of the space.

FARSET LABS

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

FOR THE YEAR ENDED 28 FEBRUARY 2021

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.

Health and Safety Risk

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.

Child Protection Risk

With respect to child protection, we regularly review our child protection procedures to keep them in line 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.

Restrictions on Public Benefits and Concessions

Individuals, Community Groups and Organisations

Access to the workspace for individuals, community groups and organisations for hireable facilities such as the event space, requires paying for the facility or a membership.

Concessions are made to individuals, community groups and organisations to achieve goals that align with our charitable purpose, including providing the facility free of charge.

Individuals

Access to the workspace for individuals outside of educational programmes and events requires paying for a visitor pass, or a membership. Considerations have been implemented to ensure that these benefits are available to beneficiaries who are poor.

Events and participation in educational programmes delivered by the charity are free, with suggested donations.

Visitor pass fees are £5, allowing access for a single day for an individual, allowing cheaper, though limited, access than memberships.

FARSET LABS

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

FOR THE YEAR ENDED 28 FEBRUARY 2021

Membership fees spread across £15, £25, £35 and £75 and all members have equivalent access regardless of which price is paid by the individual, allowing adjustments to accommodate individual circumstances. Selected prices align with ability and desire to support the charity.

Concessions are made to grant access to individuals who are not able to pay to access the facilities, allowing them to pay at a later date or forego payment altogether.

Private Benefits

A private benefit to trustees is the normal use of the resources and space provided to all beneficiaries, and this is incidental and necessary to ensure the benefit is provided and maintained for all beneficiaries.

Trustees that participate and represent the charity at educational, promotional or outreach events gain experience that can aid their future employment prospects.

These benefits are incidental and necessary to ensure the benefits of the organisation are provided to our beneficiaries.

In some cases, these same people will receive reasonable financial compensation for expenses related to such activities where these activities are exclusively in line with the purposes of the organisation.

This benefit is incidental and necessary to ensure the benefit is provided to our beneficiaries.

Statements of Trustees

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 2020, 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.

Financial Statements

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.

The charity trustees (who are also the directors of Farset Labs for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

FARSET LABS

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

FOR THE YEAR ENDED 28 FEBRUARY 2021

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

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Public Benefit

In setting our objectives and planning our activities for the year the trustees have given careful consideration to the Charity Commission for Northern Ireland's guidance on public benefit to ensure that the activities have helped to achieve the charity's purposes and provide a benefit to the beneficiaries.

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.

FARSET LABS

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

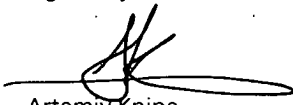
FOR THE YEAR ENDED 28 FEBRUARY 2021

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.

Signed by



Artemiy Knipe

Chair of the Board

24 February 2022

FARSET LABS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 28 FEBRUARY 2021

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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 2021.

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).
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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.

Lowry Grant

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

Dated: 24 February 2022

FARSET LABS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	5,562	-	5,562	2,644	-	2,644
Charitable activities	4	4,000	-	4,000	2,000	7,500	9,500
Other trading activities	5	16,478	-	16,478	32,284	-	32,284
Investments	6	15	-	15	11	-	11
Other income	7	-	-	-	520	-	520
Total income		26,055	-	26,055	37,459	7,500	44,959
<u>Expenditure on:</u>							
Raising funds	8	704	-	704	2,323	-	2,323
Charitable activities	9	26,073	-	26,073	41,334	-	41,334
Total resources expended		26,777	-	26,777	43,657	-	43,657
Net (expenditure)/income for the year/ Net movement in funds		(722)	-	(722)	(6,198)	7,500	1,302
Fund balances at 29 February 2020		(10,984)	7,500	(3,484)	(4,786)	-	(4,786)
Fund balances at 28 February 2021		(11,706)	7,500	(4,206)	(10,984)	7,500	(3,484)

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13		4,118		1,140
Current assets					
Debtors	14	2,035		5,384	
Cash at bank and in hand		11,622		16,030	
		13,657		21,414	
Creditors: amounts falling due within one year	16	(2,129)		(6,186)	
Net current assets			11,528		15,228
Total assets less current liabilities			15,646		16,368
Creditors: amounts falling due after more than one year	17		(19,852)		(19,852)
Net liabilities			(4,206)		(3,484)
Income funds					
Restricted funds	18		7,500		7,500
Unrestricted funds			(11,706)		(10,984)
			(4,206)		(3,484)

FARSET LABS

BALANCE SHEET (CONTINUED)

AS AT 28 FEBRUARY 2021

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 2021.

The directors 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 24 February 2022



Mr D Wylie
Trustee

Company Registration No. NI611278

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2021

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 Income

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

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

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

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.

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 Expenditure

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).

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

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.

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 2021

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
	2021	2020
	£	£
Donations and gifts	5,562	2,644
	<u> </u>	<u> </u>

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

4 Charitable activities

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Performance related grants	4,000	2,000	7,500	9,500
Analysis by fund				
Unrestricted funds	4,000	2,000	-	2,000
Restricted funds	-	-	7,500	7,500
Performance related grants				
University of Ulster	-	-	7,500	7,500
Queens University of Belfast	-	2,000	-	2,000
Halifax - Community Grants	4,000	-	-	-
Other	-	-	-	-
	4,000	2,000	7,500	9,500

5 Other trading activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Membership subscriptions and sponsorships which are in substance a payment for goods and services	16,319	27,203
Event Charges	49	4,185
Shop income	110	896
Other trading activities	16,478	32,284

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

6 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	15	11
	<u>15</u>	<u>11</u>

7 Other income

	Total	Unrestricted funds
	2021 £	2020 £
Other income	-	520
	<u>-</u>	<u>520</u>

8 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Trading costs		
Purchases	704	2,323
	<u>704</u>	<u>2,323</u>

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

9 Charitable activities

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Programme Costs	458	4,099
Share of support costs (see note 10)	24,463	36,213
Share of governance costs (see note 10)	1,152	1,022
	<u>26,073</u>	<u>41,334</u>

10 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Depreciation	1,189	-	1,189	537	-	537
Establishment costs	20,586	-	20,586	26,161	-	26,161
Office costs	1,576	-	1,576	1,641	-	1,641
Advertising & Marketing	53	-	53	81	-	81
Bank fees	342	-	342	465	-	465
Travel costs	23	-	23	48	-	48
General expenses	694	-	694	7,280	-	7,280
Accountancy	-	1,152	1,152	-	1,022	1,022
	<u>24,463</u>	<u>1,152</u>	<u>25,615</u>	<u>36,213</u>	<u>1,022</u>	<u>37,235</u>
Analysed between Charitable activities	<u>24,463</u>	<u>1,152</u>	<u>25,615</u>	<u>36,213</u>	<u>1,022</u>	<u>37,235</u>

11 Trustees

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

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

12 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

13 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost					
At 29 February 2020	221	1,815	1,212	1,642	4,890
Additions	-	4,167	-	-	4,167
At 28 February 2021	221	5,982	1,212	1,642	9,057
Depreciation and impairment					
At 29 February 2020	221	1,735	940	854	3,750
Depreciation charged in the year	-	853	139	197	1,189
At 28 February 2021	221	2,588	1,079	1,051	4,939
Carrying amount					
At 28 February 2021	-	3,394	133	591	4,118
At 28 February 2020	-	80	272	788	1,140

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	2,035	5,384

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

15 Loans and overdrafts

	2021 £	2020 £
Directors' loans	58	58
Payable within one year	58	58

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Borrowings	58	58
Trade creditors	882	5,281
Other creditors	37	37
Accruals and deferred income	1,152	810
	2,129	6,186

17 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Trade creditors	19,852	19,852

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:

	Movement in funds		Movement in funds	
	Incoming resources	Balance at 29 February 2020	Incoming resources	Balance at 28 February 2021
	£	£	£	£
University of Ulster - Future Screens NI	7,500	7,500	-	7,500

FARSET LABS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

19 Analysis of net assets between funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Fund balances at 28 February 2021 are represented by:						
Tangible assets	4,118	-	4,118	1,140	-	1,140
Current assets/ (liabilities)	4,028	7,500	11,528	7,728	7,500	15,228
Long term liabilities	(19,852)	-	(19,852)	(19,852)	-	(19,852)
	<u>(11,706)</u>	<u>7,500</u>	<u>(4,206)</u>	<u>(10,984)</u>	<u>7,500</u>	<u>(3,484)</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).