

**Company number: 5369193**  
**Charity number: 1109053**

**Independent Cinema Office**

**(Limited by Guarantee)**

**Report and Financial Statements**

**For the year ended 31 March 2021**

# Independent Cinema Office

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# Independent Cinema Office

## Reference and administrative details

**Charity registration number:** 1109053

**Company registration number:** 5369193

## Registered office and operational address:

Independent Cinema Office  
Unit 9 Bickels Yard,  
151-153 Bermondsey Street  
London SE1 3HA

## Trustees

The Directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as trustees.

Trustees who served during the year and up to the date of this report were as follows:

Sudha Bhuchar  
Thea Burrows (appointed 11 June 2020)  
Julian Connerty  
Miles Ketley (Deceased 18 October 2020)  
Susan Lovell  
George Sawtell  
Simon Ward  
Dorothy Wilson MBE FRSA (Chair)

## Key management personnel:

Director/CEO – Catharine Des Forges  
Head of Cinemas – David Sin  
Head of Operations – Becky Clarke  
Head of Partnerships & Development – Hatice Özdemirciler  
Head of Finance – Angela Blanchard

## Bankers:

Barclays Bank Plc, Leicester LE87 2BB

## Solicitors:

Bates, Wells & Braithwaite, Cheapside House, 138 Cheapside, London EC2V 6BB

## Auditors:

Cooper Parry Group Limited  
Statutory Auditors  
Park View  
One Central Boulevard  
Blythe Valley Business Park  
Solihull  
B90 8BG

## Trustees' report

The trustees present their report and the audited financial statements for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The reference and administrative information set out on page 2 form part of this report. The financial statements comply with Charities Act 2011, the Companies Act 2006, the Memorandum and 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 applicable in the UK and Republic of Ireland (FRS 102).

## Objectives and activities

### Purposes and aims

The objects of the charity are to promote all purposes recognised as charitable under the laws of England and Wales from time to time, in particular, without prejudice to the generality, the promotion, maintenance, improvement and advancement of education of the public by the encouragement of the knowledge and appreciation of the arts of film and video.

### Aims

The ICO's mission is to stimulate an open, thriving and challenging film culture. We have six overarching goals:

- To increase admissions for independent cinemas
- To enable a diverse range of films to be seen by diverse audiences
- To make the exhibition industry more inclusive
- To provide formal training routes into exhibition careers
- To support new venues so that people can access independent films wherever they live
- To inform positive policy changes and increased funding for independent film exhibition.

### Activities

The principal activity of the charity during the year was to act as the national support organisation for independent cinemas. Our key activities are film programming advice, training, distribution and consultancy. We also manage Film Hub South East, part of British Film Institute's (BFI) Film Audience Network (FAN). The trustees review the aims, objectives and activities of the charity each year.

### Public Benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit: running a charity (PB2) and fee charging. The ICO relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the trustees give careful consideration to the accessibility of its activities.

The charity has a series of aims which foreground public benefit as a key outcome of its activities. These include:

- Having inclusivity at the heart of our mission statement
- Ensuring that wherever you live in the UK, you have the same access to the art of film as if you lived in the capital
- Expanding the geographical reach of world cinema (including artists' work, animation and archive film)
- Building capacity in organisations both professional and non-professional to ensure that they achieve the highest standards in audience development through training programmes and online resources available at no charge to all users
- Offering bursaries for those with caring responsibilities or access needs on all of our training courses

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- Partnering with grassroots and community organisations especially those in rural communities
- National advocacy for our sector
- Offering free advice and information to a huge range of organisations from schools to care homes as well as traditional cinemas
- Only working with partners and clients who share our goal to develop audiences for a wide range of cinema thereby ensuring that the public has access to the widest range of films possible, both archive and contemporary.

### Diversity

The ICO was established in 2003 to ensure that a wide range of stories reached a wider range of audiences and we have put diversity at the heart of what we do ever since. However, the murder of George Floyd in the USA in May 2020 and the subsequent worldwide Black Lives Matter protests sparked crucial internal conversations about our work, our influence and how we use our power.

As an organisation with a predominantly white staff and Board of Trustees, we recognise our own position of privilege, our shortcomings and that we don't have all the answers. We have been asking ourselves urgent questions about our organisational culture, how to scrutinise our assumptions and how structural racism operates. Working with critical friends external to our organisation but experienced in organisational change and anti-racist work in the arts, we have developed an Equality, Diversity and Inclusion action plan (EDI plan), the first phase of which was published on our website in March 2021. [Black Lives Matter – ICO Equality, Diversity and Inclusion action plan - Independent Cinema Office](#)

We have committed to publishing updates on our progress twice a year and encourage feedback, ensuring the plan will continue to evolve. Currently our EDI plan specifically focuses on addressing racism; however, we take an intersectional view of matters relating to equality and inclusion and understand an individual's multifaceted social and political identities (race, class, gender, disability, sexuality, religion and others) overlap to influence their experiences of racism.

We established a number of actions to arrive at this point;

- We invited all staff and Board members to contribute to an anonymous document sharing thoughts, feelings, reactions and ideas in response to the Black Lives Matter movement
- We asked for volunteers to form an internal Anti-Racism Working Group, which held 12 detailed, twohour discussion sessions in August and September 2020
- The group reviewed all the ideas in the anonymous document and began to develop an action plan specific to the work of the ICO
- This draft action plan was discussed and agreed at a staff meeting attended by all employees. We then consulted with three experienced arts professionals who acted in the role of critical friends, scrutinising our commitments and decision-making processes and providing valuable insight into key areas we needed to consider moving forward. The ICO's Anti-Racism Working Group will continue to meet regularly and discussions will take place fortnightly at the ICO's staff meeting, to ensure the ideas, challenges and commitments in the plan remain a constant focus in our work.

We have taken a number of immediate actions including;

- Publishing an organisational audit of our staff and Trustees and updating twice a year
- Undertaking Unconscious bias training for all staff and Trustees
- Recruiting an independent HR consultant to sit outside of senior management and act as a support to all staff

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- Establishing a Co-Creation committee for our FEDS scheme to ensure that we have the input of FEDS alumni on future training for participants who are all from communities traditionally excluded by the film industry

The plan includes a wide ranging series of commitments and objectives that we will be working towards during 2021-22.

### Achievements and performance

This report looks at the charity's achievements and the outcomes of its work in the reporting period.

### Programming

Programming is at the heart of the Independent Cinema Office. We support cinemas all over the UK, whether they're in major cities or rural communities, to access a cultural film offering which will take their venue to the next level.

In 2020-21, we worked with 24 client venues across the UK, helping them navigate long periods of closure and the extreme circumstances the pandemic brought. We helped them establish virtual programme offerings and communicated distributors' releases dates and changes, often redoing programmes at short notice. We also supported our client cinemas in material ways by waiving fees through periods of closure and halving fees when they had to operate with social distancing.

We programmed the first online edition of Borderlines Film Festival, which saw admissions of 15,814 with tickets purchased across 800 different postcodes.

Towards the end of the year, we acquired five new programming clients – cinemas in Chichester, Northampton, Reading, Totnes and Wirksworth – and are delighted to begin 2021-22 with a record client list of 29.

### Screening Days

This year, we moved our Screening Days online in response to COVID-19. After surveying our email subscriber list, we re-designed the events and held two virtual Screening Days in December 2020 and March 2021, streaming films online and running capacity-building sessions alongside. They were our two highest attended events ever.

Total figures for the Screening Days programme this year:

- 664 unique delegates in attendance
- 326 unique organisations represented
- 34 films screened from 18 countries
- Over 50% of films screened made by filmmakers of colour or disabled filmmakers

As well as easing physical access to the events by holding them online and reducing fees to reflect our lowered event costs, we also increased accessibility by making all films available with subtitles for Deaf/hard of hearing audiences.

We aim to return to in-person events when possible, but due to the success of these online editions, also plan to incorporate some online elements into all future Screening Days.

### Training

The ICO's training portfolio offers film exhibition professionals the opportunity to benefit from high-level knowledge, ensuring our sector is successful, inclusive and progressive. Following the onset of COVID-19, we rapidly evolved our offer to support a sector facing unprecedented challenges, moving all training courses and professional development opportunities online.

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In 2021-21:

- The ICO trained over 120 film exhibition professionals from nearly 100 organisations and 19 countries live online
- 774 students enrolled on our online learning platform, which has been used by over 1.4k students to date

We delivered the 10<sup>th</sup> edition of our internationally acclaimed **Developing Your Film Festival** course live online to 20 film festival professionals from 13 countries over the course of five weeks with speakers from festivals including Toronto, New Horizons, Rotterdam and Vilnius International Film Festivals. 100% of participants said they would recommend the course.

With financial support from the BFI Film Audience Network, we designed and delivered the **UK Film Festival Roundtable**. Staff from 15 UK festivals took part in six interactive group sessions which included discussions on strategic planning, audience development, press and PR, sponsorship and partnerships and how to negotiate the challenges of COVID-19.

We partnered with arts sustainability charity Julie's Bicycle to deliver **Making Cinemas Environmentally Sustainable**, a series of online training workshops to increase film exhibitor awareness of environmental impacts and paths to in-venue sustainability. Over 100 cinema and film festival workers took part.

We held a live online version of **Data-Driven Marketing**, attended by 18 participants hailing from all regions of the UK, as well as offering a pre-recorded version of the same course on our online learning platform. We made all courses on our online learning platform free to access at the start of the pandemic and ran promotions throughout the year to ease accessibility.

With support from ScreenSkills and BFI FAN, we presented **FEDS Elevate: Leadership Programme for Cinema Professionals**. FEDS Elevate was designed to support and develop alumni of our flagship FEDS programme (aimed at diversifying the film exhibition workforce), helping them to progress into decision-making roles and thereby embedding industry change.

Finally, we concluded the 3<sup>rd</sup> iteration of our Women's Leadership programme, a demonstrably successful intervention aimed at women working in senior roles and designed to achieve more equal representation at the highest levels. Over six months, eight participants were supported through teaching, coaching and mentoring sessions to identify a career progression path and create a personal development programme.

## Advice and Information

We seek to democratise access to information about the film industry and how to succeed in it, providing advice, support, blog posts and web guides for people who have never shown a film as well as long-established independent venues and workers throughout the sector.

This year, we answered a huge array of enquiries around COVID-19, directing exhibitors towards funding, information and resources as well as helping them show films in new ways, such as via drive-in screenings or online.

We developed our blog and online resources to ensure they not only offered comprehensive COVID-19 support, but also inspiration for those hoping to use the lockdown as a period of evaluation and future thinking. We increased the number and frequency of our blog posts to promote sector support and maintain communications with those isolated at home. We focused our blog strategy on organisational renewal and anti-racism and began a 'Manifesto' series calling for a reinvention of the way we think of cinema. We delivered a series on Black cinema and added a prominent call for new contributors to our blog page.

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As well as collating information into practical online resources advising cinemas on how to cope with COVID-19, we launched four new downloadable online guides on marketing, audience development, film projection and good governance.

In addition, we continued to publish jobs on our free to use jobs board, with all roles added each day sent out in a daily email digest to subscribers.

In 2020-2021:

- We answered 1,500 enquiries and advertised 180 jobs
- ICO blog pages received +31k page views and +20k unique views
- New ICO online guides were downloaded 1,552 times

### Film Hub Lead Organisation – South East

The ICO has managed Film Hub South East – one of the BFI Film Audience Network's eight regional film hubs – since 2018. Throughout 2020-21, we supported our members both financially and strategically, helping them navigate an extremely challenging period. Early on, we refocused our work on helping members access enough emergency funding to survive.

- **BFI FAN COVID-19 Resilience Fund** – In April 2020, we launched our first emergency fund in conjunction with the other Film Hubs, providing grants to film exhibitors in critical financial need. We received 18 applications and approved 16 for support, allocating £143,000 overall.
- **Film Exhibition Fund** – In August 2020, we launched our second emergency fund to support members to resume cultural film programming and reengage with a diverse range of audiences. We received 20 applications; all were awarded support, totalling £86,000.
- We also encouraged members to apply to the **BFI Culture Recovery Fund**, offering an application review service for draft proposals and providing guidance to ensure a strong case for support was put forward. In Round 1, 52 venues from the South East were supported, resulting in over £3.5m in regional funding.

In addition, we:

- Offered bespoke support to members facing existential financial challenges
- Converted our Young Film Programmers' (YFP) Network to an online series ('Intermissions') comprising an online viewing group programmed by Network members and online Industry Sessions giving them the opportunity to talk directly to people working in film exhibition and related professions
- Held our Programming Group meetings online, advising key regional theatrical sites on industry developments, programming, online screenings and reopening
- Delivered our first virtual members' Forum in Feb 2021, using members' feedback on current needs to design an online programme of sessions exploring topics such as: programming in a pandemic, national FAN opportunities, online screening platforms for beginners, mental health awareness and best practice for reopening.
- Funded 38 filmmakers across the region via our BFI NETWORK South East activities
- Welcomed over 800 attendees to our BFI NETWORK South East online events programme

We continue to build our membership and seek out new partnerships in the region to develop our network of independent exhibitors.

### Distribution

While the number of films in distribution reaches a new high on an annual basis, the opportunity to see a true diversity of work is limited in the UK. The ICO's distribution projects are a response to this. We focus on sharing films that make a cultural contribution to cinemas and expand the



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possibilities for UK audiences. Our special interest is in uncompromising new work, reissues of key works of world cinema and artists' film.

In 2020-21, our planned distribution activities were limited by COVID-19. We began the year having just launched **Second Sight**, a national film tour created in association with LUX. Exploring the legacy, methods, aesthetic strategies and histories of the UK's Black Film Workshop Movement, **Second Sight** incorporated key archive films from the 1980s with new commissions from contemporary film artists, created in response to the Workshop context.

Cinema screenings of the films were unfortunately limited by lockdown. However, we were able to make the films available for online and occasional in-venue screenings at sites across the UK throughout 2020, often accompanied by filmmaker Q&As.

### Consultancy

Through consultancy, independent cinema operators can attain best practice at all stages of the cinema operation process, from feasibility study through to business planning and into cinema management, programming, audience development, fundraising, technical presentation and sustainability.

ICO consultancy is a fee-based service which can provide research and special reporting on the widest possible range of cinema related matters. In a year, the ICO fields over 300 enquiries and we have developed a repertoire of consultancy formats to respond to the variety of these enquiries in the most effective way – from advice sessions to the development of business or audience development plans, to full options appraisals or feasibility studies.

Due to COVID-19, this year there was an absence of larger, more typical consultancy projects, indicating that there was little opportunity to initiate long-term projects in 2020-21 and that many of the projects the ICO had contributed to prior to this period had been put on hold.

However, we advised several cinemas and festivals via one-to-one surgeries and general advice sessions, most often to help think through short-term practical issues and industry changes necessitated by the pandemic. ICO consultancy also supported several film festivals to deliver their events online and explore the long-term potential for online programming even after they have returned as venue-based events.

### Financial review

In the year ended 31 March 2021 ICO's income derived from grant income and fees for programming, courses, screening days, consultancy and film hire. In addition, we made use of the government's COVID support through the claiming of furlough. The charity's main expense is staff costs. Other costs relate to expenses in running courses and grant giving.

Income decreased by just under £240,000 in the year ended 31 March 2021. Many of the activities planned for the year were changed resulting in a reduction in expenditure.

Overall net income for the year was £88,708 of which £49,847 related to restricted funds and £38,861 related to unrestricted funds.

### Principal funding sources

Our principal sources of funding are from the British Film Institute. One of the BFI's main objectives is to promote access to and appreciation of the widest possible range of British and world cinema so it is a natural partner of the ICO.

### Reserves policy and going concern

The reserves policy is reviewed by the trustees on a regular basis. Currently the reserves policy seeks to have, at the minimum, three months running costs available to enable the charity to seek alternative or additional funding, if necessary. This equates to £240,000 (2020: £230,000). At

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31 March 2021 free reserves were £126,925. This amount is represented mainly by cash at bank. The ICO has budgeted for a small surplus in 2021/22.

Total funds held at the 31 March 2021 were £830,368 of which £259,390 is restricted funds and £570,978 unrestricted funds. Included in unrestricted funds are designated amounts of £444,053. The fixed assets fund represents the net book value of fixed assets after accounting for the loan outstanding. The sustainability fund is an amount set aside by the charity to ensure a managed closure of the charity in the event that funding ceases.

At the date of signing these financial statement the trustees have considered the information available to them with regards to the effect of COVID 19 on the charity and do not believe it will affect the charity's ability to continue to operate for the foreseeable future. As with many organisations there have been short term practical difficulties which we have addressed by putting in systems to enable staff to work from home. We have discussed the activities we will deliver and a provisional timetable with our funders and have utilised government assistance such as the furlough scheme. Due to the level of our reserves and the security of income streams, especially from the British Film Institute, who have been extremely supportive, we are well placed to continue operating. Please see accounting policy 1 c) for further details.

### Investment policy

The trustees may invest the charity's money not immediately required for its objects in any investments, securities or property. The current policy is to keep available funds in interest-bearing deposit accounts.

### Fundraising

The Charity does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Charity nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the Charity received no complaints relating to its fundraising practice.

### Code of Governance

The Independent Cinema Office aims to maintain good governance practices in line with the Charity Governance Code and undertook a governance workshop with the National Council for Voluntary Organisations in April 2021. A workplan was produced to improve performance in some areas. Many of these have been undertaken at time of writing.

### Principal risks and uncertainties

The high-level risks and management strategy are as follows:

Risks		Risk Management		
Nature of risk	Gross risk	Strategy	Strength	Net risk
<b>COVID-19 – the charity may close</b>	High	Budget and cash flow have been amended to reflect reduced earned income. ICO continued to make use of the Government Furlough Scheme.	Strong	High
<b>Funding not renewed – the charity may close</b>	High	Staff on fixed-term contracts gives a degree of flexibility. Consider opportunities in new funding bids. Explore new relationships and opportunities. Invest in marketing consultancy services. Ensure applications for funding are dealt with in a timely manner.	Strong	High

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Risks		Risk Management		
Nature of risk	Gross risk	Strategy	Strength	Net risk
Property loan – facility may be withdrawn	High	Quarterly management accounts, cash flow, regular review of bank covenants.	Strong	Low

### Plans for the future

2021-22 sees a lot of uncertainty for the Exhibition sector. The UK ended many of the COVID restrictions for social gatherings which affected cinemas. However, we still have a number of client cinemas which are not open and audiences who have become accustomed to watching films online, as well as organisations who have come to terms with delivering programmes which adhere to a hybrid model.

We ourselves have become adept at delivering our events and courses online and 2021-2 sees plans for Screening Days online. We have delivered Cultural Cinema Exhibition course (our flagship training course) online for the first time and continue to deliver our Core Skills seminars, Hub capacity building sessions and NETWORK events for filmmakers and new talent online.

We will plan for the return to physical spaces in the autumn but are mindful that the situation is volatile and may change. We are also piloting a new virtual space, the ICO Cinema of Ideas, which sees us programming an online platform with an ambitious cultural programme of screenings and events which we will make available to our client cinemas free of charge, with an advantageous income split for them. This will enable venues who have received public funding via the governments Cultural Recovery Fund to deliver a wider range of programming to their audiences without the provision of additional resources or financial risk at a time of great need and uncertainty.

We will also be publishing new guides on Governance and Programming for exhibition organisations. The pandemic demonstrated the disproportionate effects of crisis on different groups in the UK and highlighted the inequalities present in the public arts sector. There have been a number of very public scandals in the sector ranging from bullying to sexual harassment to the lack of protections and low pay of Front Of House staff. We will continue to work with partners for an independent ombudsman for the film industry to protect workers and deliver a number of workshops around our Governance guide to inform and support those organisations who would like to make their own structures more rigorous.

We will continue to work on our anti-racist commitments, deliver our final DYFF course with EU funding and seek to raise funds for a series of new artists commissions about the national trails in the South East of England, following on from our Second Sight project. Internally we have interrogated our own governance and after a workshop facilitated by the NCVO are planning a new recruitment drive for a more inclusive board of Trustees during the next year. In addition, our new HR consultant has helped us to overhaul our recruitment processes and procedures endeavouring to make them more inclusive which we hope will help us attract a workforce that is more reflective of the communities we serve.

### Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 18 February 2005 and registered as a charity on 14 April 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 12 to the accounts. As set out in the Articles of Association the trustees are appointed by resolution of the trustees. Recruitment for new trustees is openly advertised with full job descriptions and interviews carried out prior to taking up office.

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New trustees are sent an extensive information pack which details the responsibility of trustees and their legal obligations. There are two subcommittees, Finance and Personnel & HR which make recommendations to the wider board. Trustees are also expected to attend Board Away days where more strategic discussions concerning the organisation can take place.

Policies and procedures adopted for the induction and training of trustees are ongoing and incorporated indirectly into the regular board meetings.

The ICO is managed by the board of Directors/Trustees. Day-to-day management is delegated to the Director and the senior management team as follows:

Director/CEO – Catharine Des Forges

Head of Cinema – David Sin

Head of Operations – Becky Clarke

Head of Training and Professional Development – Hatice Özdemirciler

Head of Finance – Angela Blanchard

We have developed a formal framework with criteria for setting pay/remuneration for key management personnel which has included the establishment of a Personnel & HR subcommittee which makes recommendations to the wider board of trustees.

Organisations we currently work with who co-operate with our charitable objectives include BFI, Cinema for All, a number of our key client cinemas, ScreenSkills, the National Film and Television Archive and Into Film.

### Trustees' responsibilities statement

The trustees (who are also directors of Independent Cinema Office for the purposes 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these 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 2019
- 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 a going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware at the time of approving our trustees' report:

- There is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware; and
- The trustees, having made enquiries of fellow directors and the charitable company's

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auditor, have taken all steps that they ought to have individually taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

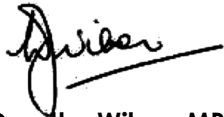
### **Small company exemptions**

This report is prepared in accordance with the provisions of the Companies Act 2006 relating to small companies.

### **Auditors**

Cooper Parry Group Limited was reappointed in the year and has expressed its willingness to continue in office.

This report was approved by the Board of Trustees on 28 September 2021 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'D Wilson', with a horizontal line extending from the end of the signature.

**Dorothy Wilson MBE FRSA**  
**Chair**

# **Independent Cinema Office**

## **Independent Auditor's Report to the Members of Independent Cinema Office**

### **Opinion**

We have audited the financial statements of Independent Cinema Office ("the charitable company") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to

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### **Independent Auditor's Report to the Members of Independent Cinema Office (continued)**

be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

# Independent Cinema Office

## Independent Auditor's Report to the Members of Independent Cinema Office (continued)

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.



## Independent Cinema Office

### Independent Auditor's Report to the Members of Independent Cinema Office (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006 and to the charitable company's trustees as a body in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Glen Bott FCA

Senior Statutory Auditor for and on behalf of:



**Cooper Parry Group Limited**

Chartered Accountants and Statutory Auditor  
One Central Boulevard  
Park View  
Blythe Valley Park  
Solihull  
West Midlands  
B90 8BG

Date: 01 October 2021

# Independent Cinema Office

## Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	lote	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
<b>Income and endowments from:</b>							
Donations	2	139,433	10,000	<b>149,433</b>	8,950	–	8,950
Charitable activities							
Programming	3	32,391	335,268	<b>367,659</b>	205,319	364,527	569,846
Advice, information, support & training	3	5,195	347,754	<b>352,949</b>	250	425,418	425,668
Film Hub South East	3	–	542,687	<b>542,687</b>	4,569	500,000	504,569
Distribution	3	93	1,832	<b>1,925</b>	4,285	180,551	184,836
Advocacy	3	–	43,369	<b>43,369</b>	–	–	–
Consultancy	3	3,055	69,028	<b>72,083</b>	14,148	46,734	60,882
Other trading activities	4	–	–	–	13,308	–	13,308
Investments – bank interest	5	239	–	<b>239</b>	861	–	861
Other income	6	–	–	–	1,371	–	1,371
<b>Total income</b>		<b>180,406</b>	<b>1,349,938</b>	<b>1,530,344</b>	<b>253,061</b>	<b>1,517,230</b>	<b>1,770,291</b>
<b>Expenditure on:</b>							
Charitable activities							
Programming	7	17,990	271,466	<b>289,456</b>	94,201	363,692	457,893
Advice, information, support & training	7	50,117	311,459	<b>361,576</b>	12,006	397,743	409,749
Film Hub South East	7	53,944	584,314	<b>638,258</b>	24,735	490,815	515,550
Advocacy	7	10,383	41,754	<b>52,137</b>	–	–	–
Distribution	7	3,361	26,064	<b>29,425</b>	12,763	237,183	249,946
Consultancy	7	6,703	64,081	<b>70,784</b>	5,565	46,807	52,372
Other trading activities	7	–	–	–	13,308	–	13,308
<b>Total expenditure</b>		<b>142,498</b>	<b>1,299,138</b>	<b>1,441,636</b>	<b>162,578</b>	<b>1,536,240</b>	<b>1,698,818</b>
<b>Net income / (expenditure) for the year</b>	9	<b>37,908</b>	<b>50,800</b>	<b>88,708</b>	<b>90,483</b>	<b>(19,010)</b>	<b>71,473</b>
Transfers between funds	21	953	(953)	–	(21,759)	21,759	–
<b>Net movement in funds</b>		<b>38,861</b>	<b>49,847</b>	<b>88,708</b>	<b>68,724</b>	<b>2,749</b>	<b>71,473</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		532,117	209,543	<b>741,660</b>	463,393	206,794	670,187
<b>Total funds carried forward</b>	21	<b>570,978</b>	<b>259,390</b>	<b>830,368</b>	<b>532,117</b>	<b>209,543</b>	<b>741,660</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

The notes on pages 20 to 31 form an integral part of these financial statements.

# Independent Cinema Office

## Balance sheet

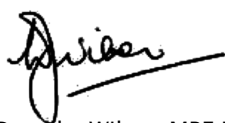
Company no. 5369193

As at 31 March 2021

	Note	£	2021 £	£	2020 £
<b>Fixed assets:</b>					
Tangible assets	15		1,344,932		1,370,595
<b>Current assets:</b>					
Debtors	16	85,483		263,584	
Cash at bank and in hand		677,015		591,603	
		<u>762,498</u>		<u>855,187</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	17	(331,066)		(477,501)	
<b>Net current assets</b>			<u>431,432</u>		<u>377,686</u>
<b>Total assets less current liabilities</b>			<u>1,776,364</u>		<u>1,748,281</u>
Creditors: Amounts falling due after more than one year	19		(945,996)		(1,006,621)
<b>Total net assets</b>	20a		<u>830,368</u>		<u>741,660</u>
<b>The funds of the charity:</b>	21a				
Restricted income funds in surplus			262,390		211,173
Restricted income funds in deficit			(3,000)		(1,630)
			<u>259,390</u>		<u>209,543</u>
Unrestricted income funds:					
Designated funds		444,053		420,283	
General funds		126,925		111,834	
		<u></u>		<u></u>	
Total unrestricted funds			<u>570,978</u>		<u>532,117</u>
<b>Total charity funds</b>			<u>830,368</u>		<u>741,660</u>

The trustees have prepared these accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

Approved by the trustees on 28 September 2021 and signed on their behalf by



Dorothy Wilson MBE FRSA  
Chair

The notes on pages 20 to 31 form an integral part of these financial statements.

Independent Cinema Office

Statement of cash flows

For the year ended 31 March 2021

	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>				
<b>Net cash provided by / (used in) operating activities</b>		<b>189,717</b>		<b>219,132</b>
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	239		861	
Purchase of fixed assets	(19,594)		(1,366,067)	
<b>Net cash provided by/(used in) investing activities</b>		<b>(19,355)</b>		<b>(1,365,206)</b>
<b>Cash flows from financing activities:</b>				
Repayments of borrowing	(169,555)		(28,868)	
Cash inflow from new borrowing	90,000		1,050,000	
<b>Net cash provided by/(used in) financing activities</b>		<b>(79,555)</b>		<b>1,021,132</b>
<b>Change in cash and cash equivalents in the year</b>		<b>90,807</b>		<b>(124,942)</b>
Cash and cash equivalents at the beginning of the year		<b>591,603</b>		<b>715,644</b>
Change in cash and cash equivalents due to exchange rate movements		<b>(5,395)</b>		<b>901</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>677,015</b>		<b>591,603</b>
<b>Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>				
	2021 £		2020 £	
<b>Net income for the reporting period</b>	<b>88,708</b>		<b>71,473</b>	
Depreciation charges	<b>44,807</b>		<b>24,444</b>	
Loss on disposal of fixed assets	<b>450</b>		<b>168</b>	
Interest from investments	<b>(239)</b>		<b>(861)</b>	
Interest on bank loans	<b>35,822</b>		<b>18,480</b>	
Foreign exchange losses / (gains)	<b>5,395</b>		<b>(901)</b>	
Decrease / (increase) in debtors	<b>178,101</b>		<b>(88,789)</b>	
(Decrease) / increase in creditors	<b>(163,327)</b>		<b>195,118</b>	
<b>Net cash provided by / (used in) operating activities</b>	<b>189,717</b>		<b>219,132</b>	
<b>Analysis of changes in net debt</b>				
	At 1 April 2020 £	Cash flows £	Other changes £	At 31 March 2021 £
Cash at bank and in hand	591,603	90,807	(5,395)	<b>677,015</b>
Loans falling due within one year	(32,991)	33,733	(50,625)	<b>(49,883)</b>
Loans falling due after more than one year	(1,006,621)	10,000	50,625	<b>(945,996)</b>
<b>Total</b>	<b>(448,009)</b>	<b>134,540</b>	<b>(5,395)</b>	<b>(318,864)</b>

**1 Accounting policies**

**a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional currency of the charity, and rounded to the nearest £1.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**b) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**c) Going concern**

At the time of signing the accounts the trustees have considered the effect of COVID 19 on the going concern position, and consider that this does indicate that the charity will continue to operate for a period of at least 12 months from the date of signing these accounts due to the level of funding already secured with its key partners. At the balance sheet date the charity held significant cash balances. The charity has significant reserves, enough of which are unrestricted and are sufficient to absorb short-term in year deficits, if required. Government support is utilised, where it is appropriate to do so, and since the year end the Furlough scheme has been used. The financial forecasts prepared show that the charity will be able to pay its liabilities as they fall due. On this basis the trustees have prepared these financial accounts on a going concern basis.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**d) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**e) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value to the charity which is the amount the charity would have been willing to pay to obtain services or facilities equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**f) Investment income**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**g) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor and within the objects of the charity. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**1 Accounting policies (continued)**

**h) Expenditure and irrecoverable VAT**

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 costs of delivering services and other educational activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**i) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on the direct staff costs of each activity, of the amount attributable to each activity.

• Programming	28.5%
• Training	23.9%
• Film Hub South East	37.1%
• Advocacy	5.5%
• Distribution	2.3%
• Consultancy	2.7%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**j) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**k) Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the date of the transaction. All gains and losses on exchange are put through the income and expenditure account.

**l) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Long leasehold property	2% straight line basis
• Leasehold refurbishment	10% straight line basis
• Fixtures, fittings & equipment	25% straight line basis
• Database and website	25% straight line basis

**m) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**n) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

# Independent Cinema Office

## Notes to the financial statements

For the year ended 31 March 2021

### 1 Accounting policies (continued)

#### o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### q) Pensions

The charity contributes to the personal pension schemes of some of its employees and from 1 November 2016 to SMARTPension, the ICO auto-enrolment scheme. The schemes and their assets are held by independent managers. The pension charge represents contributions due from the charity.

### 2 Donations

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Furlough	139,329	–	139,329	8,670
Big Issue Invest	–	10,000	10,000	–
Other donations	104	–	104	280
<b>Total</b>	<b>139,433</b>	<b>10,000</b>	<b>149,433</b>	<b>8,950</b>

### 3 Income from charitable activities

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
<b>Programming</b>				
BFI	–	335,268	335,268	354,170
Venue income	18,891	–	18,891	167,613
Europa Cinemas	–	–	–	9,357
Sponsorship income	500	–	500	7,977
Screening days income	13,000	–	13,000	30,287
Other income	–	–	–	442
<b>Sub-total</b>	<b>32,391</b>	<b>335,268</b>	<b>367,659</b>	<b>569,846</b>
<b>Training</b>				
ScreenSkills	–	51,610	51,610	45,836
Creative Europe Media	–	35,558	35,558	74,149
BFI	–	175,285	175,285	161,135
British Council	–	5,062	5,062	5,258
Third party contributions	–	40,000	40,000	40,000
Course fees	5,195	23,359	28,554	69,315
Contribution in kind	–	16,880	16,880	29,975
<b>Sub-total</b>	<b>5,195</b>	<b>347,754</b>	<b>352,949</b>	<b>425,668</b>
<b>Film Hub South East</b>				
BFI	–	536,362	536,362	500,000
MUBI	–	6,250	6,250	–
Film Hire	–	–	–	2,133
Sponsorship income	–	–	–	1,000
Training fees	–	–	–	1,328
Other income	–	75	75	108
	–	542,687	542,687	504,569

Independent Cinema Office

Notes to the financial statements

For the year ended 31 March 2021

3 Income from charitable activities (continued)

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
<b>Distribution</b>				
BFI	-	9	9	106,573
Arts Council England	-	-	-	27,000
Heritage Lottery Fund	-	-	-	(802)
Film hire and print transport	93	1,823	1,916	40,637
Contribution in kind	-	-	-	10,000
Other income	-	-	-	1,428
<b>Sub-total</b>	93	1,832	1,925	184,836
<b>Advocacy</b>				
BFI	-	43,369	43,369	-
<b>Sub-total</b>	-	43,369	43,369	-
<b>Consultancy</b>				
BFI	-	69,028	69,028	-
Fees	3,055	-	3,055	14,148
Other income	-	-	-	46,734
<b>Sub-total</b>	3,055	69,028	72,083	60,882
<b>Total income from charitable activities</b>	40,734	1,339,938	1,380,672	1,745,801

The proportion of income from charitable activities derived from outside the UK amounted to 3% (2020-7%).

4 Other trading activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Rent	-	-	-	13,308

5 Income from investments

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Bank interest	239	-	239	861

6 Other income

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Foreign exchange surplus	-	-	-	901
Other	-	-	-	470
	-	-	-	1,371



Independent Cinema Office

Notes to the financial statements

For the year ended 31 March 2021

7 Analysis of expenditure

	Programming	Training	Film Hub South East	Advocacy	Distribution	Consultancy	Other trading activities	2021 Total	2020 Total
	£	£	£	£	£	£	£	£	£
Staff costs (Note 12)	210,086	176,394	273,904	41,032	16,811	19,762	-	<b>737,989</b>	674,386
Consultancy	-	-	-	-	-	-	-	-	15,276
Fees – Course leader/Speaker/Film maker/Project manager	2,050	87,713	12,346	-	1,380	-	-	<b>103,489</b>	164,608
Film hire	379	-	288	-	77	-	-	<b>744</b>	36,293
Filming & editing	-	710	-	-	550	-	-	<b>1,260</b>	1,750
Catering/hospitality/entertaining	77	733	100	15	6	7	-	<b>938</b>	51,659
Marketing and publicity	261	4,844	1,018	39	916	19	-	<b>7,097</b>	32,534
Couriers/transport	645	110	179	23	1,324	11	-	<b>2,292</b>	6,546
Production programming costs	6,674	8,416	5,221	-	3,380	-	-	<b>23,691</b>	34,652
Certification/accreditation	530	1,138	721	-	15	-	-	<b>2,404</b>	8,222
Venue hire	-	120	-	-	150	-	-	<b>270</b>	62,253
Bursaries	-	5,618	1,080	-	-	-	-	<b>6,698</b>	33,280
Hotel, travel & subsistence	181	645	321	29	12	14	-	<b>1,202</b>	88,578
Grants (Note 14)	-	11,640	262,286	-	-	44,175	-	<b>318,101</b>	231,563
IT/Web costs	14,443	5,687	9,276	599	477	288	-	<b>30,770</b>	19,158
Office costs	4,895	12,148	7,726	892	430	429	-	<b>26,520</b>	41,966
Premises costs	5,805	4,691	7,527	1,091	447	526	-	<b>20,087</b>	104,592
Depreciation	12,756	10,710	16,630	2,491	1,021	1,200	-	<b>44,808</b>	24,444
Audit	2,121	5,381	2,765	414	170	199	-	<b>11,050</b>	10,850
Annual report	-	-	-	-	-	-	-	-	4,866
Legal & professional	13,945	12,393	18,182	2,724	1,116	1,312	-	<b>49,672</b>	5,684
Bad debts	-	217	-	-	-	1,500	-	<b>1,717</b>	424
Bank charges & interest	10,412	8,744	13,218	1,968	807	948	-	<b>36,097</b>	22,359
Irrecoverable VAT	2,660	2,234	3,468	520	213	250	-	<b>9,345</b>	20,895
Trustees' expenses	-	-	-	-	-	-	-	-	1,980
Exchange loss	1,536	1,290	2,002	300	123	144	-	<b>5,395</b>	-
	<b>289,456</b>	<b>361,576</b>	<b>638,258</b>	<b>52,137</b>	<b>29,425</b>	<b>70,784</b>	<b>-</b>	<b>1,441,636</b>	<b>1,698,818</b>
Total expenditure 2020	<b>457,893</b>	<b>409,749</b>	<b>515,550</b>	<b>-</b>	<b>249,946</b>	<b>52,372</b>	<b>13,308</b>	<b>1,698,818</b>	

Of the total expenditure, £142,498 was unrestricted (2020: £162,578) and £1,299,138 was restricted (2020: £1,536,240).

## Independent Cinema Office

### Notes to the financial statements

#### For the year ended 31 March 2021

#### 8. Support costs

These costs are allocated on a direct salary costs basis and consist of:

	2021 £	2020 £
Staff costs	133,942	25,907
Consultancy	–	1,750
Couriers / transport	417	79
Catering/ hospitality/entertaining	270	5,396
Certification/accreditation	–	839
Marketing and publicity	705	4,498
Venue Hire	–	216
Hotel travel & subsistence	530	11,640
IT/Web costs	10,773	9,377
Office costs	16,036	11,222
Premises costs	19,627	91,284
Depreciation	44,807	24,443
Legal and professional	48,987	5,684
Bank charges and interest	35,404	21,266
Irrecoverable VAT	9,344	20,896
Exchange loss	5,395	–
Governance	7,450	14,097
	<b>333,687</b>	<b>248,594</b>

Governance costs consist of:

	2021 £	2020 £
Audit fees	7,450	7,250
Annual report	–	4,866
Trustees' expenses	–	1,981
	<b>7,450</b>	<b>14,097</b>

#### 9 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<b>44,807</b>	24,444
Loss on disposal of fixed asset	<b>450</b>	168
Bank interest payable	<b>35,274</b>	21,056
Operating lease rentals:		
Property	–	66,365
Auditors' remuneration (excluding VAT):		
Statutory audit	<b>7,450</b>	7,250
Other audit	<b>3,000</b>	3,000
Foreign exchange (surplus) /loss	<b>5,395</b>	(901)

#### 10 Related party transactions

Mel Clarke, the sister of Becky Clarke, Head of Operations, was paid £4,100 (2020: £7,900) during the year for design work on various projects. At 31 March 2021 £800 (2020: £1,750) was outstanding and due to be paid. Vision Box was paid £15,806 through the Resilience Award Fund and Film Exhibition Fund. Simon Ward, Trustee, is co-director/owner with his wife Corinna Ward.

#### 11 Corporation taxation

The charitable company is exempt from tax on income and gains falling within section 478 of the Corporation Tax Act 2010 or section 252 of the Taxation of Chargeable Gains Act 1982 to the extent that these are applied to its charitable objects.

**12 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	635,940	570,382
Social security costs	59,861	54,686
Employer's contribution to defined contribution pension schemes	31,254	26,865
Freelance staff	360	14,718
Staff recruitment	–	3,560
Staff training	3,549	1,862
Human resources fees	7,025	2,239
Other staff costs	–	74
	<b>737,989</b>	<b>674,386</b>

No employee received employee benefits (excluding employer pension costs) during the year above £60,000.

The total employee benefits including employer national insurance and pension contributions of the key management personnel were £241,964 (2020: £230,944).

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2020: £nil).

Trustees' expenses includes the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £856) incurred by nil (2020: two) members relating to attendance at meetings of the trustees.

**13 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Programming	4.1	5.8
Training	4.8	4.2
Film Hub South East	6.3	5.2
Advocacy	0.5	–
Distribution	0.4	2.0
Consultancy	0.3	0.1
Support	3.8	0.4
	<b>20.2</b>	<b>17.7</b>

**14 Grants**

	2021 £	2020 £
Paid from restricted funds:		
Payments to Institutions	<b>318,101</b>	<b>231,563</b>

Payments to Institutions analysed as follows:

	2021 £
<b>Training</b>	
Derby QUAD Enterprises Ltd	4,500
Phoenix – Leicester Arts Centre Ltd	4,500
Sheffield Media & Exhibition Centre Ltd	<b>2,640</b>
	<b>11,640</b>

# Independent Cinema Office

## Notes to the financial statements

For the year ended 31 March 2021

### 14 Grants (continued)

	2021
	£
<b>Film Hub South East</b>	
<b>Resilience Award Funds</b>	
ADeC (Babylon Arts)	900
Cambridge Film Trust	15,000
Corn Exchange Wallingford	10,000
Creative Arts East	11,500
The Diss Corn Hall Trust	8,900
The Film Place	2,500
Kino-Teatr	9,800
Letchworth Garden City Heritage Foundation	10,000
Norden Farm Centre Trust Limited	13,200
Norwich Film Festival	7,990
The Picture House Uckfield	5,000
Riverside Restaurant & Theatre Ltd	10,000
Towner Enterprises Ltd	9,979
Trinity Theatre & Arts Centre Ltd	6,926
Ultimate Picture Palace	12,683
Vision Box Cinema Ltd	9,065
	<u>143,443</u>
	2021
	£
<b>Film Exhibition Fund</b>	
Brighton Community Cinematheque CIC	1,862
Bute Street Film Festival	5,000
Cambridge Film Trust	15,000
Deal Film Club	5,175
Electric Palace Cinema	3,490
Fabrica	1,400
Fisheye Film Festival	2,015
Ipswich Film Theatre	1,750
Norden Farm	8,000
The Picture House Uckfield	3,160
Saffron Screen	3,016
Towner Enterprises Ltd	4,900
Trinity Theatre	3,500
UK Jewish Film Festival	422
Ultimate Picture Palace	5,867
University of Brighton	5,700
University of Kent	2,050
Women Over Fifty Film Festival CIC	2,000
Worthing Theatres & Museum	5,267
Vision Box Cinema Ltd	6,741
	<u>86,315</u>
	2021
	£
<b>Young Programmers' Groups</b>	
Lewes Community Screen	14,337
Reel Connections CIC	18,194
	<u>32,531</u>
	2021
	£
<b>Open Access Fund</b>	
The Keep	(3)
	<u>262,286</u>
<b>Total Film Hub South East</b>	2021
	£
<b>Consultancy</b>	
British Independent Film Awards (BIFA)	<u>44,175</u>

# Independent Cinema Office

## Notes to the financial statements

### For the year ended 31 March 2021

#### 15 Tangible fixed assets

	Long leasehold property	Leasehold refurb – ishment £	Database and website £	Fixtures, fittings & equipment £	Total £
<b>Cost or valuation</b>					
At the start of the year	1,308,014	53,736	35,973	22,982	1,420,705
Additions in year	–	11,796	–	7,798	19,594
Disposals in year	–	(450)	–	–	(450)
At the end of the year	1,308,014	65,082	35,973	30,780	1,439,849
<b>Depreciation</b>					
At the start of the year	13,080	–	21,205	15,825	50,110
Charge for the year	26,160	6,437	8,994	3,216	44,807
At the end of the year	39,240	6,437	30,199	19,041	94,917
<b>Net book value</b>					
At the end of the year	1,268,774	58,645	5,774	11,739	1,344,932
At the start of the year	1,294,934	53,736	14,768	7,157	1,370,595

All of the above assets are used for charitable purposes.

#### 16 Debtors

	2021 £	2020 £
Trade debtors	24,532	182,969
Other debtors	10,400	35,412
Prepayments	10,318	11,077
Accrued income	40,233	34,126
	<b>85,483</b>	<b>263,584</b>

#### 17 Creditors: amounts falling due within one year

	2021 £	2020 £
Grants payable	43,892	10,619
Secured bank loans	49,883	32,991
Trade creditors	49,875	55,798
Accruals	88,740	39,353
Other creditors	8,663	–
Taxation and social security	12,546	17,284
Pension contributions	3,310	3,881
Deferred income	74,157	317,575
	<b>331,066</b>	<b>477,501</b>

#### 18 Deferred income

	2021 £	2020 £
Deferred income comprises of grant and income for events taking place in 2021/22 and training and consultancy fees received in advance of the work being carried out.		
Balance at the beginning of the year	317,575	40,884
Amount released to income in the year	(312,575)	(40,884)
Amount deferred in the year	69,157	317,575
Balance at the end of the year	<b>74,157</b>	<b>317,575</b>

#### 19 Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Secured bank loans – falling due in less than 5 years	218,615	207,996
Secured bank loans – falling due after 5 years	727,381	798,625
	<b>945,996</b>	<b>1,006,621</b>

There are three secured and one unsecured bank loans on the property at Unit 9 Bickels Yard, London, SE1 3HA. The loan from Charity Bank is charged at 2.75% over base rate and the loans with Big Issue Invest are charged at 7.5% and 6%. The Charity Bank loan is repayable over 25 years and the Big Issue Invest loans over 7 years, 63 months and 57 months. The property has a carrying value of £1,268,774. The loans are secured with fixed and floating charges over the assets of the charity.

# Independent Cinema Office

## Notes to the financial statements

### For the year ended 31 March 2021

#### 20a Analysis of net assets between funds (Current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	1,344,932	–	1,344,932
Net current assets	126,925	45,117	259,390	431,432
Creditors due after more than one year	–	(945,996)	–	(945,996)
<b>Net assets at the end of the year</b>	<b>126,925</b>	<b>444,053</b>	<b>259,390</b>	<b>830,368</b>

#### 20b Analysis of net assets between funds (Prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	1,370,595	–	1,370,595
Net current assets	111,834	56,309	209,543	377,686
Creditors due after more than one year	–	(1,006,621)	–	(1,006,621)
<b>Net assets at the end of the year</b>	<b>111,834</b>	<b>420,283</b>	<b>209,543</b>	<b>741,660</b>

#### 21a Movements in funds (Current year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
British Film Institute	–	458,897	(401,671)	(10,278)	46,948
BFI – Advice, information, support and training	96,176	164,053	(151,702)	18,886	127,413
Film Hub South East	86,717	542,687	(570,024)	–	59,380
MUBI bursary fund	1,000	–	–	–	1,000
Developing Your Own Film Festival 2020	–	55,579	(48,294)	–	7,285
Other training	4,315	116,890	(102,260)	113	19,058
Big Issue Invest	–	10,000	–	(10,000)	–
Britain on Film	19,012	–	(17,749)	–	1,263
Other BFI funded tours	3,910	1,832	(6,068)	326	–
Arts Council England	(1,630)	–	(1,370)	–	(3,000)
National Lottery Cinema Day	43	–	–	–	43
<b>Total restricted funds</b>	<b>209,543</b>	<b>1,349,938</b>	<b>(1,299,138)</b>	<b>(953)</b>	<b>259,390</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Fixed assets	330,983	–	–	18,070	349,053
Sustainability fund	89,300	–	–	5,700	95,000
<b>Total designated funds</b>	<b>420,283</b>	<b>–</b>	<b>–</b>	<b>23,770</b>	<b>444,053</b>
<b>General funds</b>	<b>111,834</b>	<b>180,406</b>	<b>(142,498)</b>	<b>(22,817)</b>	<b>126,925</b>
<b>Total unrestricted funds</b>	<b>532,117</b>	<b>180,406</b>	<b>(142,498)</b>	<b>953</b>	<b>570,978</b>
<b>Total funds</b>	<b>741,660</b>	<b>1,530,344</b>	<b>(1,441,636)</b>	<b>–</b>	<b>830,368</b>

The narrative to explain the purpose of each fund is given at the foot of the next note.

## Independent Cinema Office

### Notes to the financial statements

#### For the year ended 31 March 2021

#### 21b Movements in funds (Prior year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
British Film Institute	–	354,170	(354,335)	165	–
BFI – Advice, information, support and training	53,646	163,635	(121,546)	441	<b>96,176</b>
Film Hub South East	77,532	500,000	(490,815)	–	<b>86,717</b>
MUBI bursary fund	–	1,000	–	–	<b>1,000</b>
Developing Your Own Film Festival 2019	–	101,091	(113,754)	12,663	–
Developing Your Own Film Festival 2020	–	16,017	(16,017)	–	–
Other training	7,175	144,676	(146,426)	(1,110)	<b>4,315</b>
Britain on Film	43,595	6,520	(31,103)	–	<b>19,012</b>
Other BFI funded tours	9,245	147,832	(162,826)	9,659	<b>3,910</b>
Arts Council England	–	27,000	(28,630)	–	<b>(1,630)</b>
National Lottery Cinema Day	116	46,734	(46,807)	–	<b>43</b>
Heritage Lottery Fund	15,485	(802)	(14,624)	(59)	–
Europa cinema	–	9,357	(9,357)	–	–
<b>Total restricted funds</b>	<b>206,794</b>	<b>1,517,230</b>	<b>(1,536,240)</b>	<b>21,759</b>	<b>209,543</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Fixed assets	29,140	–	(24,612)	326,455	<b>330,983</b>
Premises research	6,162	–	(750)	(5,412)	–
Property Fund	260,000	–	–	(260,000)	–
Sustainability fund	95,000	–	(5,700)	–	<b>89,300</b>
<b>Total designated funds</b>	<b>390,302</b>	<b>–</b>	<b>(31,062)</b>	<b>61,043</b>	<b>420,283</b>
<b>General funds</b>	<b>73,091</b>	<b>253,061</b>	<b>(131,516)</b>	<b>(82,802)</b>	<b>111,834</b>
<b>Total unrestricted funds</b>	<b>463,393</b>	<b>253,061</b>	<b>(162,578)</b>	<b>(21,759)</b>	<b>532,117</b>
<b>Total funds</b>	<b>670,187</b>	<b>1,770,291</b>	<b>(1,698,818)</b>	<b>–</b>	<b>741,660</b>

#### Purposes of restricted funds

##### British Film Institute

Funding received from the BFI to be a strategic partner for the BFI Film Audience Network (FAN) to enable film exhibitors to boost film audiences around the UK for independent and specialised films.

##### British Film Institute – Advice, information, support and training

Organisational funding received to provide telephone and online support including an update of our online resources, support to venues and additional funding for our FEDS training scheme (2021/22).

##### Film Hub South East

The ICO is responsible for administering funds from the National Lottery to support a stronger and more connected approach to growing audiences for British and International cinema throughout the region. During 2020/21 we distributed funds through the Resilience Fund and the Film Exhibition Fund.

##### MUBI bursary fund

Funding received from MUBI to be used for screening day bursaries.

##### Developing Your Own Film Festival

Funding received from the European MEDIA programme and the British Council to support the costs of running the Developing Your Film Festival course in Wroclaw, Poland in 2020 and on line in March 2021.

##### Other training

Funding received from FAN and ScreenSkills. During 2020/21 we completed the Women's Leadership course from 2019/20 and also commenced the FAN managers training and FAN festival training. ScreenSkills funding was used to provide online versions of FEDS Elevate and DDM courses. During the previous year we completed physical FEDS Elevate and DDM courses with ScreenSkills funding and commenced the Women's Leadership course with FAN funding.

##### Big Issue Access

A donation was received from Big Issue Access Ltd to part repay a loan with Big Issue Invest.

## **Independent Cinema Office**

### **Notes to the financial statements**

#### **For the year ended 31 March 2021**

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##### **Purposes of restricted funds (continued)**

###### **Britain on Film**

Organisational funding received from the BFI to enable the ICO to deliver eight archive film programmes.

###### **Other BFI funded tours**

The BFI supported two touring projects during 2019/20, Musicals as part of the BFI's blockbuster project for 2019 and Second Sight which celebrates the UK's Black Film Workshop Movement which continued into 2020/21.

###### **Arts Council England**

Funding received to commission four new films from British Artists for our Second Sight tour.

###### **National Lottery Cinema Day**

Funding received from Camelot to repay venues the ticket value of tickets given away on National Lottery Cinema Day in August 2019.

###### **Heritage Lottery Fund**

Funding received to show archive film footage of four New Towns in the Film Hub South East region. The films were screened in the town centres and community groups of Crawley, Harlow, Hemel Hempstead and Stevenage. Following the screenings oral histories were recorded from audience members.

###### **Europa Cinema**

A grant received from Europa Cinemas, a European wide network of cinemas funded by the Media programme of the EU. It supports showing of non-national films in several ICO associated cinemas. This given grant is re-distributed to a number of cinemas.

##### **Purposes of designated funds**

###### **Fixed assets**

Funds representing the net book value of fixed assets, after deducting loans outstanding, that are consequently not readily available in cash.

###### **Premises research**

An amount set aside to pay for a consultant to research new offices for the ICO.

###### **Property Fund**

Funds set aside to help pay for the purchase of new offices in 2019/20.

###### **Sustainability fund**

An amount set aside to pay redundancy costs in the event of the closure of the charity.

## **22 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. At 31 March 2021 there were 7 (2020: 7) guarantees in place.