

Company number: 5369193
Charity number: 1109053

Independent Cinema Office

(Limited by Guarantee)

Report and Financial Statements

For the year ended 31 March 2022

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:

Ayo Akingbade (appointed 24 February 2022)
Sudha Bhuchar
Thea Burrows
Julian Connerty (re-appointed 23 November 2021, resigned 26 May 2022)
Harry Kalfayan (appointed 24 February 2022)
Susan Lovell (resigned 18 August 2022)
Eleanor Lowe (appointed 1 March 2022)
Will Massa (appointed 1 March 2022)
Emily McDonald (appointed 27 February 2022)
Ameet Parekh (appointed 28 February 2022)
George Sawtell (re-appointed 23 November 2021, resigned 26 May 2022)
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
Cubo Birmingham Office 401
4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

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Trustees' report

The trustees present their report and the audited financial statements for the year ended 31 March 2022 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 worldwide Black Lives Matter protests sparked crucial internal conversations about our work, our influence and how we use our power.

Subsequently, we worked with staff and external critical friends to develop an Equality, Diversity and Inclusion action plan (EDI plan), published on our website in March 2021: [Equality, Diversity & Inclusion Action Plan – Independent Cinema Office](#)

In 2021-22, we worked to fulfil action points from the plan, publishing six-monthly updates on our website. Our achievements to date include:

- The recruitment and appointment of six new trustees, creating a more representative board
- An overhaul of ICO recruitment processes to increase fairness and transparency and attract a wider range of candidates
- The ongoing review of our Film Exhibition, Distribution & Sales Traineeship Scheme (FEDS) with our Co-Creation Committee, made of up alumni of the scheme, to ensure it is as equitable and inclusive as possible
- Changes to our Screening Days events, including the creation of an external Advisory Group, paid open calls for external curators for specialised events, and the commitment to screen 30% minimum films made by filmmakers of colour or disabled filmmakers
- Initial work on an ICO Programming Charter, which aims to increase the number of films shown by filmmakers of colour in ICO client venues and grow audience engagement for these titles
- Changes to our website's jobs policy to ensure the jobs we post on behalf of other organisations are fair and transparent.

Equality, diversity and inclusion is on the agenda for ICO staff meetings, and we have regular all-staff discussions on specific issues as they arise. In 2022-23 we will continue our work on existing action points and complete a review of the original plan to identify new objectives to progress our EDI work further.

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 2021-22, the ICO programming network grew to 30 clients – 29 cinemas and one major regional film festival – becoming one of the UK's biggest independent cinema networks. Our

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programming team worked closely with venues to help them plan for reopening from May 2021, re-establish their audiences and renew their confidence in diversifying their programmes to include a wider range of culturally important films.

In one of the most challenging years for UK film exhibition to date, our network screened 674 films and achieved 680k+ total admissions and £4.4m gross box office, with ICO cinemas making vital contributions to the performance of key independent releases and overall, to an increasingly promising landscape for the sector. In the final quarter of the year, our cinemas had made a notable recovery, operating at about 80% of pre-pandemic admissions levels.

Our new venues this year were Warwick Arts Centre, Cinemarsh in New Romsey and Reading Biscuit Factory.

Screening Days

Screening Days is the ICO's flagship event series and the UK's biggest cinema conference programme. The events give exhibitors across the UK the chance to see the best world cinema and British independent titles months in advance of release, so they can make informed decisions on how these films can meet their audiences.

Following a year of solely virtual events and in response to the changing landscape of the pandemic, we began offering hybrid Screening Days in 2021-22, giving delegates the chance to watch films and attend sessions in-venue or access them at home, with over 90% of the programme available online. Our hybrid offer has been extremely successful, with four out of this year's five Screening Days our most well-attended events ever.

As well as easing physical access by offering online-only attendance, a more affordable pricing model and bursaries to potential delegates, we made online films available with subtitles for Deaf/hard of hearing audiences and provided live captions on all capacity-building sessions.

To bring in external voices, we created a Screening Days Advisory Group, appointing three critical friends for a year's period to steer the programmes and strategy of our specialised events (Young Audiences, Inclusion & Diversity, Archive Screening Days). We also introduced paid open calls for curated sessions for these events, giving a national stage to groups and work that might otherwise have stayed on the margins.

Total figures for the Screening Days programme this year:

- A record 1,182 delegates (718 unique) attended online, in-person or a combination of both
- 375 unique organisations represented
- 68 films screened from 51 countries
- 30-60% of films shown at events made by filmmakers of colour or disabled filmmakers (bringing in films from outside UK distribution where needed).

Training

The ICO's training portfolio offers film exhibition professionals the opportunity to benefit from high-level knowledge to ensure our sector is successful, inclusive and progressive. In 2021-22, as the industry reopened after the pandemic, ICO training helped chart a path towards a highly skilled, financially sustainable and inclusive future for cinema.

We continued to provide professional development and training opportunities online while holding some in-person activities again for the first time since 2020, with our longer-term training opportunities like FEDS and Women's Leadership delivered in hybrid formats.

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We reviewed our inclusivity aims for training and professional development courses in detail and for the first time offered instalment payment plans for course fees for people who required this flexibility.

Supported by the BFI Audience Fund, our **FEDS (Film Exhibition, Distribution & Sales) Traineeships** scheme recruits new entrants to paid roles in film exhibition to help make the industry workforce more reflective of UK society. Our 2020 traineeships, postponed due to COVID-19, ran from June 2021-March 2022 at the Barbican, HOME, the ICO, Phoenix Cinema and Arts Centre and Tyneside Cinema. Trainees were paid the Living Wage and received industry training sessions and professional career coaching as well as on-the-job training. In early 2022 we began recruiting new trainees to undertake placements at Belfast Film Festival, BFI, Broadway Nottingham, Depot Lewes, Hippodrome Silent Film Festival and Flatpack Festival.

The 2021-22 edition of our well-established **Women's Leadership** course ran from November 2021-April 2022. Funded by the BFI Film Audience Network, it supported 10 ambitious women from across the UK's film exhibition sector with one-to-one coaching, skills development workshops and high-level networking opportunities.

We created two new **Online Learning Courses** – 'How to Start Screening Films' and 'Front of House Workers Guide' – to fill two different but equally distinct gaps in our current online training offer. Overall, our Online Learning Platform attracted 180 new students this year, with the total number of course enrolments rising to 1,560.

Following our collaboration with arts consultancy Indigo Ltd on the Cultural Restart Audience & Visitor Tracker, we partnered with them to share its findings and Indigo's newly developed **Reopening: Five Reassurances** model – supporting cinemas in rebuilding audience confidence post-pandemic using the latest audience research data – via a free online seminar in July 2021.

Supported by ScreenSkills, we delivered a new training course, **Data-Driven Film Exhibition**, that built on the success of our popular Data-Driven Marketing course with a wider look at how exhibitors can use data to build sustainable strategies for their activity in areas including programming, marketing, access and inclusion.

From October to November 2021, the second round of our popular **Core Skills for Cinemas** webinar series provided practical accessible learning on the topics: 'Starting and developing a membership scheme', 'Why email marketing is important' and 'Programming artists' moving image work.'

Finally, we partnered with the National Centre for Voluntary Organisations (NCVO) to create a five-part, free-to-attend workshop series, **Governance Next**, exploring key governance topics and giving grassroots organisations guidance on how to best set up as legal entities and structure their boards. In addition, we offered nine organisations from across the UK bespoke NCVO coaching sessions to review their specific governance challenges.

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, ahead of reopening in May 2021, exhibitors of all kinds sought advice on COVID-19 protocols and how best to communicate a twin message of welcome and safety to in-venue audiences to ensure people felt both able and inspired to return. Conversely, many other enquiries related to starting (or continuing) a hybrid screening offer for audiences who preferred to continue watching from home amidst ongoing pandemic circumstances.

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Following on from 2020-21, we continued to focus our blog strategy on change and renewal, questioning industry practices and looking at new ways of supporting film exhibition workers, highlighting antiracism work in the arts, and encouraging greater accessibility, diversity and inclusivity across the sector.

We wrote and published in-depth downloadable guides on programming, cinema audio and fundraising, now available on our website alongside our array of existing guides.

Another important area of work this year was reconceiving our jobs posting policy. The ICO's jobs board is the biggest source for recruitment in our part of the sector. We have hosted thousands of job ads over the past 15 years, have over 5,000 subscribers to our daily jobs newsletter and receive 100,000 hits per year on our jobs pages.

Inspired by the leadership of Fair Museum Jobs in this area, we redesigned the criteria to post a job on our website. Our new policy is designed to ensure that the jobs we post are fairer and, more widely, to show how more thoughtful recruitment practices can be a form of audience communication for arts organisations, enabling them to forge new connections. As well as our internal policy, we shared broader practical guidance on our website.

In 2021-2022:

- We answered 1,090 enquiries and advertised 721 jobs
- ICO 'Advice & Support' webpages received +194k page views
- ICO online guides were downloaded 2,222 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 2021-22, we supported our members both financially and strategically, helping them navigate the process of reopening and the continuing volatility of the film exhibition landscape.

- **Film Exhibition Fund** – We developed one key strategic fund, the Film Exhibition Fund, to help exhibitors to remain sustainable in this period and resume their cultural film programming and audience development activities. We funded 25 projects at 23 organisations, totalling £135,830, before recalls, in support to develop programmes of independent British and international film and engage a broad and diverse audience.
- We also offered a review service for Hub member applications to the **BFI Culture Recovery Fund**, which over three rounds saw 28 venues from the South East submit successful applications, resulting in over £4m in funding for the region.

In addition, we:

- Continued to grow our Young Film Programmers' (YFP) Network – now comprising 37 groups at venues across the region – offering members access to online monthly BFI Film Academy Labs, training and networking workshops, industry-led courses for aspiring young filmmakers, and many other regional/national exhibition opportunities plus the chance to apply for financial support
- Held an online training session, 'Challenging Barriers and Championing Access for Disabled Cinema Audiences' to encourage regional exhibitors to reopen their venues with accessibility in mind
- Provided four venues with a bespoke consultancy following this event to encourage real change for venues and audiences throughout our region
- Held a series of further online training and discussion events based on feedback from member surveys, including 'Audience Development Through Social Media', 'Innovative Programming' and the opportunity to share best practices and successful strategies
- Released archive short *Wartime in the South East* for venues to screen during this year's

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Poppy Appeal, supporting venues with proven audience engagement strategies to achieve 2,077 admissions across a range of organisations including cinemas, day centres, museums, community groups and village halls

- Opened our Programming Group up to more cinemas, giving key regional theatrical sites updates on sector developments, funding opportunities and new films for programming at meetings held both online and in-person
- Via BFI NETWORK South East, delivered funding to over 59 regional filmmakers and expert advice and support to many more, plus an extensive range of training and networking events and our highly successful new podcast, *Short Hand*
- Grew our Film Hub South East membership by 36% since April 2021 (231 members total).

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, with a focus on films that make a cultural contribution to cinema and expand the possibilities for UK audiences.

In 2021-22, our distribution activities were limited by COVID-19 until cinemas began reopening in May 2021, but in June 2021 we reissued Ousmane Sembène's ***Mandabi*** nationwide in partnership with STUDIOCANAL UK.

Often described as the 'father of African cinema', Sembène was not merely one of the first black filmmakers to make films on the continent but also radically recentred who cinema was about and for. But despite this renown, his films have been hard to play in the UK and only previously available in poor digital copies. Subsequently, we were delighted to work with STUDIOCANAL UK to release a 4K restoration of *Mandabi* into UK screens for the first time; one of the under ten African titles released in the UK in the past five years.

To support cinemas emerging from the pandemic, we made *Mandabi* available for online and in-cinema screenings and offered exhibitors a free recorded online discussion led by Africa in Motion Festival Director Liz Chege (interviewing world expert on African cinema Dr Aboubakar Sanogo and microfinance entrepreneur Ivan Mbowo) to use as a post-screening Q&A. Alongside this, we launched a major publicity campaign with features in *Sight & Sound*, BBC's 'Inside Cinema', *Little White Lies* and many more publications.

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 offering research and special reporting on the widest possible range of cinema related matters. Each year, the ICO fields over 300 enquiries, and we have developed a repertoire of consultancy formats to respond to them in the most effective way – from advice sessions to the development of business or audience development plans, to full options appraisals or feasibility studies. We are proud to have boosted venues, festivals and community screens to new levels of achievement and to have played a part in establishing new venues for audiences nationwide.

In 2021-22, we delivered a feasibility study for a major new independent cinema for London; provided business development guidance for a touring film festival; advised a regional independent cinema on their young audience offer; and helped another regional independent cinema reach out to local Indian audiences.

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Financial review

In the year ended 31 March 2022 ICO's income derived from grant income and fees for programming, courses, screening days, consultancy and film hire. In addition, we continued to make 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 increased by £140,000 in the year ended 31 March 2022. Many of the online activities in the previous year became hybrid versions with, for example, screening days held in venues and online.

A valuation of the property in Bickels Yard indicated that there had been an impairment during the year. The value of the property was reduced by £127,614 and the refurbishment costs were consequently also impaired by £52,137. Expenditure was therefore £179,751 more than budgeted which resulted in a deficit for the year. The loan to value covenant for the Charity Bank loan was therefore breached and a repayment of £51,711 was made in July 2022 to rectify this.

Overall net expenditure for the year was £72,463 of which there was a surplus on restricted funds of £53,084 and a deficit on unrestricted funds of £125,547.

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.

Grant making policy

The ICO mainly grants awards through the Film Exhibition Fund. These funds are restricted and come from the BFI. Film Hub South East operates the Film Exhibition Fund and supports Film Audience Network (FAN) members, which includes organisations of various shapes and sizes, from community cinemas to festivals to multi-arts centres, to maximise the number of audiences engaging with independent British and International film across the region.

The fund invites applications for awards from members that respond to the Film Hub South East's strategic objectives of cultural engagement, developing young audiences, providing inclusivity and showcasing screen heritage. Applicants are asked to submit an application form, a budget and an equality monitoring form. The guidelines and regulations for awards are set by the BFI and we cannot independently make awards outside this rubric.

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 £250,000 (2021: £240,000). At 31 March 2022 free reserves were £97,356. The ICO have a budgeted for a small surplus in 2022/23.

Total funds held at the 31 March 2022 were £757,905 of which £312,474 is restricted funds and £445,431 unrestricted funds. Included in unrestricted funds are designated amounts of £348,075. The fixed assets fund represents the net book value of fixed assets after accounting for the loan outstanding. A fund has been established to set aside funds for the additional loan repayment in July 2022 of £51,711. 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. The Miles Ketley filmmakers' bursary fund has been established to commemorate our trustee who died in 2019. Funds have been set aside to provide bursaries to filmmakers to allow them to attend industry events to aid their development. It will be launched at Autumn Screening Days in 2022.

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The ICO is currently in the last year of funding with the BFI and we are awaiting the publication of the BFI's 10-year National Lottery funding strategy and details of the subsequent application process due in Autumn of 2022. We have prepared budgets for 23/24 on the basis of various scenarios, including being unsuccessful with our applications, which the trustees have considered and believe that the charity will be able to continue to operate for the foreseeable future. Please see accounting policy 1 c) for further details. In September 2022 we were informed by the BFI that we are the preferred bidder to run Film Hub South East.

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. We have a new job description and terms of reference for Trustees which coincided with the change in our recruitment policies and all of our new Trustees (and some of the current ones) have undertaken the NCVO Trustee introduction/refreshers course.

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
Funding not renewed – the charity may close	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
Property loan – facility may be withdrawn	High	Quarterly management accounts, cash flow, regular review of bank covenants.	Strong	Low

Plans for the future

We have seen some recovery in our sector and all of the sites we work with remain in operation and are currently going concerns. The recovery is patchy though and it still remains to be seen whether independent cinemas and film festivals can navigate their way through post-COVID times and address new audience modes of behaviour and consumption.

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The uncertainty around the BFI's new plan and funding schemes will affect the sector in the same way it will affect the ICO with many cinemas budgeting for 23-24 whilst not being sure of the future.

We continue to advocate strongly for the sector and are planning a Skills workforce survey to be published in the summer of 2022, the first of its kind in more than a decade. We hope that the data from this will continue to make the case for investment in the Exhibition sector and underline the fact that this is an economy of vertical integration where the explosion in Film production in the UK still needs to find a receptive and engaged audience.

We intend to build on the lessons learned from COVID and are planning to deliver all our editions of Screening Days in a hybrid version to ensure the greatest access for all exhibition professionals. We will launch our continuing professional development fund for FEDS alumni to enable them to support their careers and build capacity and enable them to apply successfully for more senior roles.

We delivered the last version of DYFF supported by Creative Europe in Edinburgh in August. The Cinema of Ideas will continue for another year with a greater emphasis on delivering a programme for exhibition professionals with its conversations with international curators.

We will launch *Right of Way* in the autumn which is our archive/artists new commissions programme due to tour in the South-East of England and across the UK in the autumn. We have commissioned three British artists to make new work interrogating equitable access in the UK countryside to accompany our new archive National Trails programme. We are working with a number of significant partners on this and worked with an advisory group of activists, artists and curators on the open call and subsequent selection of the final artists.

We plan to produce new online guides which will add to our increasing portfolio of online learning opportunities and advice and information resources for the sector.

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. 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. 2022-23 will see the development of a new sub-committee which will address EDI as part of our ongoing EDI commitments and to support the ICO's Head of Development and Partnerships in her work. Trustees are also expected to attend Board Away days where more strategic discussions concerning the organisation can take place and will be fully involved in the development of the ICO's new business plan due to be produced towards the end of 2022.

Policies and procedures adopted for the induction and training of trustees are ongoing and incorporated indirectly into the regular board meetings. All new Trustees are invited to attend the NCVO's introductory course for Trustees.

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:

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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 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.

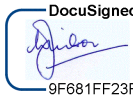
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Auditors

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 22 November 2022 and signed on its behalf by

Dorothy Wilson MBE FRSA
Chair

DocuSigned by:

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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 2022 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 2022, 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.

Independent Cinema Office

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

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 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 12, 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

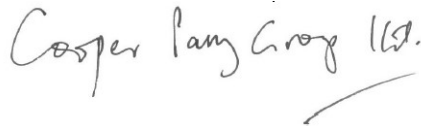
Independent Auditor's Report to the Members of Independent Cinema Office (continued)

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. 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
Cubo Birmingham Office 401
4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 16 December 2022

Independent Cinema Office**Statement of financial activities** (incorporating an income and expenditure account)**For the year ended 31 March 2022**

	lote	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income and endowments from:							
Donations	2	14,554	–	14,554	139,433	10,000	149,433
Charitable activities							–
Programming	3	173,970	342,127	516,097	32,391	335,268	367,659
Advice, information, support & training	3	25,074	359,557	384,631	5,195	347,754	352,949
Film Hub South East	3	–	535,000	535,000	–	542,687	542,687
Distribution	3	10,295	114,246	124,541	93	1,832	1,925
Advocacy	3	–	30,310	30,310	–	43,369	43,369
Consultancy	3	20,605	37,165	57,770	3,055	69,028	72,083
Other trading activities	4	6,536	–	6,536	–	–	–
Investments – bank interest	5	97	–	97	239	–	239
Other income	6	363	–	363	–	–	–
Total income		251,494	1,418,405	1,669,899	180,406	1,349,938	1,530,344
Expenditure on:							
Charitable activities							
Programming	7	75,772	383,782	459,554	17,990	271,466	289,456
Advice, information, support & training	7	109,822	415,898	525,720	50,117	311,459	361,576
Film Hub South East	7	74,178	473,446	547,624	53,944	584,314	638,258
Advocacy	7	8,792	28,800	37,592	10,383	41,754	52,137
Distribution	7	34,398	81,916	116,314	3,361	26,064	29,425
Consultancy	7	12,007	37,015	49,022	6,703	64,081	70,784
Other trading activities	7	6,536	–	6,536	–	–	–
Total expenditure		321,505	1,420,857	1,742,362	142,498	1,299,138	1,441,636
Net (expenditure) / income for the year	9	(70,011)	(2,452)	(72,463)	37,908	50,800	88,708
Transfers between funds	21	(55,536)	55,536	–	953	(953)	–
Net movement in funds		(125,547)	53,084	(72,463)	38,861	49,847	88,708
Reconciliation of funds:							
Total funds brought forward		570,978	259,390	830,368	532,117	209,543	741,660
Total funds carried forward	21	445,431	312,474	757,905	570,978	259,390	830,368

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 21 to 32 form an integral part of these financial statements.

Independent Cinema Office**Balance sheet**

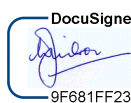
Company no. 5369193

As at 31 March 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	15		1,122,799		1,344,932
Current assets:					
Debtors	16	95,447		85,483	
Cash at bank and in hand		813,289		677,015	
		<u>908,736</u>		<u>762,498</u>	
Liabilities:					
Creditors: amounts falling due within one year	17	(425,832)		(331,066)	
Net current assets			<u>482,904</u>		<u>431,432</u>
Total assets less current liabilities			<u>1,605,703</u>		<u>1,776,364</u>
Creditors: Amounts falling due after more than one year	19		(847,798)		(945,996)
Total net assets	20a		<u><u>757,905</u></u>		<u><u>830,368</u></u>
The funds of the charity:	21a				
Restricted income funds in surplus			312,474		262,390
Restricted income funds in deficit			-		(3,000)
			<u>312,474</u>		<u>259,390</u>
Unrestricted income funds:					
Designated funds		348,075		444,053	
General funds		97,356		126,925	
		<u></u>		<u></u>	
Total unrestricted funds			<u>445,431</u>		<u>570,978</u>
Total charity funds			<u><u>757,905</u></u>		<u><u>830,368</u></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 22 November 2022 and signed on their behalf by

DocuSigned by:

 9F681FF23F12452...

Dorothy Wilson MBE FRSA
 Chair

The notes on pages 21 to 32 form an integral part of these financial statements.

Independent Cinema Office

Statement of cash flows

For the year ended 31 March 2022

	2022 £	£	2021 £	£
Cash flows from operating activities				
Net cash provided by operating activities		219,589		189,717
Cash flows from investing activities:				
Dividends, interest and rents from investments	97		239	
Purchase of fixed assets	-		(19,594)	
Net cash provided by/(used in) investing activities		97		(19,355)
Cash flows from financing activities:				
Repayments of borrowing	(82,386)		(169,555)	
Cash inflow from new borrowing	-		90,000	
Net cash used in financing activities		(82,386)		(79,555)
Change in cash and cash equivalents in the year		137,300		90,807
Cash and cash equivalents at the beginning of the year		677,015		591,603
Change in cash and cash equivalents due to exchange rate movements		(1,026)		(5,395)
Cash and cash equivalents at the end of the year		813,289		677,015
Reconciliation of net income to net cash flow from operating activities				
	2022		2021	
	£		£	
Net income for the reporting period	(72,463)		88,708	
Depreciation charges	42,382		44,807	
Impairment of property	179,751		-	
Loss on disposal of fixed assets	-		450	
Interest from investments	(97)		(239)	
Interest on bank loans	32,942		35,822	
Foreign exchange losses	1,026		5,395	
(Increase) / decrease in debtors	(9,964)		178,101	
Increase / (decrease) in creditors	46,012		(163,327)	
Net cash provided by operating activities		219,589		189,717

Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	Foreign exchange movements £	Other changes £	At 31 March 2022 £
Cash at bank and in hand	677,015	137,300	(1,026)	-	813,289
Loans falling due within one year	(49,883)	49,444	-	(98,198)	(98,637)
Loans falling due after more than one year	(945,996)	-	-	98,198	(847,798)
Total	(318,864)	186,744	(1,026)	-	(133,146)

Independent Cinema Office

Notes to the financial statements

For the year ended 31 March 2022

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 2022) – (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

Independent Cinema Office is in its last year of funding with the BFI and will apply for further funding in the autumn following the publication of their 10-year National Lottery funding strategy and details of the subsequent application process. Various budgets have been prepared depending upon the outcome of these funding applications, and they do indicate that the charity will be able to continue to operate for a period of at least 12 months from the date of signing these accounts. 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. 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.

Independent Cinema Office**Notes to the financial statements****For the year ended 31 March 2022**

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	29.8%
• Training	30.1%
• Film Hub South East	29.7%
• Advocacy	2.9%
• Distribution	6.5%
• Consultancy	1.0%

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 2022****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.

r) Estimates and judgements

Estimates and judgements have been used in the preparation of these financial statements, mainly in connection with the valuation of fixed assets and the allocation of support costs to charitable activities. The allocation of support costs is set out in accounting policy i). The long leasehold property at Bickels Yard and its related refurbishment costs have been impaired and the carry forward amount is based on a fair value valuation.

2 Donations

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Furlough	14,554	–	14,554	139,329
Big Issue Invest	–	–	–	10,000
Other donations	–	–	–	104
Total	14,554	–	14,554	149,433

3 Income from charitable activities

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Programming				
BFI	–	342,127	342,127	335,268
Venue income	147,709	–	147,709	18,891
Sponsorship income	2,500	–	2,500	500
Screening days income	23,761	–	23,761	13,000
Sub-total	173,970	342,127	516,097	367,659
Training				
ScreenSkills	–	7,647	7,647	51,610
Creative Europe Media	–	4,933	4,933	35,558
BFI	–	230,827	230,827	175,285
British Council	–	5,000	5,000	5,062
Third party contributions	–	40,000	40,000	40,000
Course fees	25,074	13,730	38,804	28,554
Contribution in kind	–	16,340	16,340	–
Other income	–	41,080	41,080	16,880
Sub-total	25,074	359,557	384,631	352,949
Film Hub South East				
BFI	–	535,000	535,000	536,362
MUBI	–	–	–	6,250
Other income	–	–	–	75
	–	535,000	535,000	542,687

Independent Cinema Office

Notes to the financial statements

For the year ended 31 March 2022**3 Income from charitable activities (continued)**

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Distribution				
BFI	-	83,909	83,909	9
Arts Council England	-	27,987	27,987	-
Film hire and print transport	10,295	-	10,295	1,916
Other income	-	2,350	2,350	-
Sub-total	10,295	114,246	124,541	1,925
Advocacy				
BFI	-	30,310	30,310	43,369
Sub-total	-	30,310	30,310	43,369
Consultancy				
BFI	-	-	-	69,028
Fees	20,605	-	20,605	3,055
Other income	-	37,165	37,165	-
Sub-total	20,605	37,165	57,770	72,083
Total income from charitable activities	229,944	1,418,405	1,648,349	1,380,672

The proportion of income from charitable activities derived from outside the UK amounted to 0.3% (2021-3%).

4 Other trading activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Desk space	6,536	-	6,536	-

5 Income from investments

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Bank interest	97	-	97	239

6 Other income

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Other	363	-	363	-

Independent Cinema Office

Notes to the financial statements

For the year ended 31 March 2022

7 Analysis of expenditure

	Programming £	Training £	Film Hub South East £	Advocacy £	Distribution £	Consultancy £	Other trading activities £	2022 Total £	2021 Total £
Staff costs (Note 12)	251,599	253,596	250,002	24,195	55,210	8,612	-	843,214	737,989
Fees – Course leader/Speaker/Film maker/Project manager	25,166	103,479	34,741	3,600	14,189	150	-	181,325	103,489
Focus group/evaluation	150	4,000	8,257	-	-	-	-	12,407	-
Film hire	2,003	-	3,212	-	10,585	-	-	15,800	744
Filming & editing	-	3,554	-	-	-	-	-	3,554	1,260
Catering/hospitality/entertaining	21,230	1,702	678	37	84	13	-	23,744	938
Marketing and publicity	426	2,077	573	386	2,779	13	-	6,254	7,097
Couriers/transport	366	120	109	5	2,291	2	-	2,893	2,292
Production programming costs	12,528	12,403	3,339	-	4,293	-	-	32,563	23,691
Certification/accreditation	2,420	3,754	478	9	20	3	-	6,684	2,404
Venue hire	29,854	5,232	4,374	-	6	-	-	39,466	270
Bursaries	1,152	3,300	3,189	-	-	-	-	7,641	6,698
Hotel, travel & subsistence	9,424	13,861	2,216	73	360	26	-	25,960	1,202
Grants (Note 14)	-	11,122	135,177	-	-	36,898	-	183,197	318,101
IT/Web costs	4,935	6,375	8,315	310	1,617	110	-	21,662	30,770
Office costs	10,616	9,984	6,266	597	4,973	212	-	32,648	26,520
Premises costs	1,776	1,790	1,764	171	389	61	6,536	12,487	20,087
Depreciation	66,280	66,807	65,860	6,374	14,543	2,269	-	222,133	44,808
Audit	2,760	2,782	2,743	265	606	94	-	9,250	11,050
Annual report	448	451	445	43	98	15	-	1,500	-
Legal & professional	1,366	3,477	1,357	131	300	47	-	6,678	49,672
Bad debts	-	800	20	-	21	-	-	841	1,717
Bank charges & interest	10,516	10,479	9,999	960	2,952	342	-	35,248	36,097
Irrecoverable VAT	3,425	3,452	3,403	329	753	117	-	11,479	9,345
Trustees' training	808	814	803	78	177	28	-	2,708	-
Exchange loss	306	309	304	29	68	10	-	1,026	5,395
	<u>459,554</u>	<u>525,720</u>	<u>547,624</u>	<u>37,592</u>	<u>116,314</u>	<u>49,022</u>	<u>6,536</u>	<u>1,742,362</u>	<u>1,441,636</u>
Total expenditure 2021	<u>289,456</u>	<u>361,576</u>	<u>638,258</u>	<u>52,137</u>	<u>29,425</u>	<u>70,784</u>	<u>-</u>	<u>1,441,636</u>	

Of the total expenditure, £321,505 was unrestricted (2021: £142,498) and £1,420,857 was restricted (2021: £1,299,138).

Independent Cinema Office**Notes to the financial statements****For the year ended 31 March 2022****8. Support costs**

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

	2022 £	2021 £
Staff costs	138,721	133,942
Couriers / transport	168	417
Catering/ hospitality/entertaining	1,275	270
Certification/accreditation	312	-
Marketing and publicity	1,260	705
Hotel travel & subsistence	2,528	530
IT/Web costs	10,798	10,773
Office costs	20,801	16,036
Premises costs	5,951	19,627
Depreciation	42,382	44,807
Impairment of property	179,751	-
Legal and professional	4,578	48,987
Bank charges and interest	33,444	35,404
Irrecoverable VAT	11,479	9,344
Exchange loss	1,026	5,395
Governance	13,458	7,450
	467,932	333,687

Governance costs consist of:

	2022 £	2021 £
Audit fees	9,250	7,450
Annual report	1,500	-
Trustees' training	2,708	-
	13,458	7,450

9 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	42,382	44,807
Impairment of property and refurbishment costs	179,751	-
Loss on disposal of fixed asset	-	450
Bank interest payable	32,942	35,274
Auditors' remuneration (excluding VAT):		
Statutory audit	9,250	7,450
Other audit	-	3,000
Foreign exchange loss	1,026	5,395

10 Related party transactions

Mel Clarke, the sister of Becky Clarke, Head of Operations, was paid £3,150 (2021: £4,100) during the year for design work on various projects. At 31 March 2022 £1,650 (2021: £800) was outstanding and due to be paid. Simon Ward, trustee, was paid £475 for speaker and interview fees (2021:nil). At 31 March 2022 £150 was outstanding and due to be paid. In addition Vision Box was paid £72 for reimbursement of ticket sales during National Lottery Cinema Weekend (2021: Nil) and £54 for a training & professional development bursary to attend This Way Up conference in December 2021. During year ended 31 March 2021 £15,806 was also awarded to Vision Box through the Resilience Award Fund and Film Exhibition Fund. Simon Ward, Trustee, is co-director/owner with his wife Corinna Ward. Suman Bhuchar, the sister of Sudha Bhuchar, trustee, was awarded a bursary of £117 to pay for train tickets to attend ID Screening Days.

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.

Independent Cinema Office**Notes to the financial statements****For the year ended 31 March 2022****12 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	700,887	635,940
Social security costs	65,401	59,861
Employer's contribution to defined contribution pension schemes	35,461	31,254
Freelance staff	18,270	360
Staff recruitment	1,841	-
Staff training	13,971	3,549
Human resources fees	5,495	7,025
Occupational Health Insurance	1,707	-
Other staff costs	180	-
	843,213	737,989

One employee received employee benefits (excluding employer pension costs) during the year in the band £60,000 – £70,000 (2021: Nil).

The total employee benefits including employer national insurance and pension contributions of the key management personnel were £253,060 (2021: £241,964).

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2021: £nil).

No expenses were paid to trustees during the year (2021: £nil).

13 Staff numbers

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

	2022 No.	2021 No.
Programming	4.7	4.1
Training	7.7	4.8
Film Hub South East	5.8	6.3
Advocacy	0.4	0.5
Distribution	0.9	0.4
Consultancy	0.2	0.3
Support	3.3	3.8
	23.0	20.2

14 Grants

	2022 £	2021 £
Paid from restricted funds:		
Payments to Institutions	183,197	318,101

Payments to Institutions analysed as follows:

	2022 £
Training	
Balik Arts	1,645
Bedford Players Trust	1,917
Bute Street	960
Electric Palace, Harwich	1,630
Fabrica	1,400
Ipswich	1,350
Riverside	614
Sunrise Studios	1,606
	11,122

Independent Cinema Office**Notes to the financial statements****For the year ended 31 March 2022****14 Grants (continued)**

	2022
	£
Film Hub South East	
Young Film Programmers	
The Riverside	700
	2022
	£
Diversity	
Bute Street Film Festival	1,750
	2022
	£
Film Exhibition Fund	
Anglo Asiatic Arts and Heritage Alliance (AAAHA)	2,000
Babylon Arts	7,000
Balik Arts	2,500
Bute Street Festival	9,250
Cambridge Film Festival	22,000
Chichester Cinema at New Park	2,340
Chichester Film Festival	12,500
CINECITY	10,000
Cine-Sister: Gateway Film Festival	1,250
Creative Arts East	14,920
Depot Cinema	1,600
Film Hub Wales – D&I	2,500
Gulbenkian	2,250
Ipswich Film Theatre	(1,750)
Margate Film Festival	3,000
Norden Farm Centre Trust Ltd	5,620
Norwich Film Festival	4,085
The Place, Bedford	5,000
The Riverside	750
Ropetackle Arts Centre	1,865
South Hill Park Arts Centre	3,000
The Theatre Chipping Norton	2,400
videoclub: Film Explorers Festival	2,500
Violet Pictures	6,000
Watersprite Film Festival	8,000
Women Over Fifty Film Festival	3,500
Worthing Theatres & Museum	(1,053)
	133,027
	2022
	£
Open Access Fund	
Project 49	(300)
Total Film Hub South East	135,177
	2022
	£
Consultancy – National Lottery Cinema Weekend	
Grants awarded to 69 different institutions totalling	36,898

Independent Cinema Office

Notes to the financial statements

For the year ended 31 March 2022

15 Tangible fixed assets

	Long leasehold property	Leasehold refurb – ishment £	Database and website £	Fixtures, fittings & equipment £	Total £
Cost or valuation					
At the start of the year	1,308,014	65,082	35,973	30,780	1,439,849
Disposals in year	–	–	–	(900)	(900)
At the end of the year	1,308,014	65,082	35,973	29,880	1,438,949
Depreciation					
At the start of the year	39,240	6,437	30,199	19,041	94,917
Charge for the year	26,160	6,508	5,774	3,940	42,382
Disposals in year	–	–	–	(900)	(900)
Impairment	127,614	52,137	–	–	179,751
At the end of the year	193,014	65,082	35,973	22,081	316,150
Net book value					
At the end of the year	1,115,000	–	–	7,799	1,122,799
At the start of the year	1,268,774	58,645	5,774	11,739	1,344,932

All of the above assets are used for charitable purposes.

16 Debtors

	2022 £	2021 £
Trade debtors	52,987	24,532
Other debtors	281	10,400
Prepayments	15,101	10,318
Accrued income	27,078	40,233
	95,447	85,483

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Grants payable	60,440	43,892
Secured bank loans	98,637	49,883
Trade creditors	61,732	49,875
Accruals	45,519	88,740
Other creditors	–	8,663
Taxation and social security	30,921	12,546
Pension contributions	5,241	3,310
Deferred income	123,342	74,157
	425,832	331,066

18 Deferred income

	2022 £	2021 £
Deferred income comprises of grant and income for events taking place in 2022/23 and consultancy fees received in advance of the work being carried out.		
Balance at the beginning of the year	74,157	317,575
Amount released to income in the year	(22,242)	(312,575)
Amount deferred in the year	71,427	69,157
Balance at the end of the year	123,342	74,157

19 Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Secured bank loans – falling due in less than 5 years	177,935	218,615
Secured bank loans – falling due after 5 years	669,863	727,381
	847,798	945,996

Independent Cinema Office

Notes to the financial statements

For the year ended 31 March 2022

19. Creditors: Amounts falling due after more than one year (continued)

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 4.4% and the loans with Big Issue Invest are charged at 7% 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 £1,115,000. The loans are secured with fixed and floating charges over the assets of the charity. At 31 March 2022 following the impairment of the property Charity Bank's loan to value covenant was in breach however this was remedied during July 2022 when a repayment of £51,711 was made. The carrying amount of loan in breach was £836,067 at 31 March 2022.

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	1,122,799	-	1,122,799
Net current assets	97,356	73,074	312,474	482,904
Creditors due after more than one year	-	(847,798)	-	(847,798)
Net assets at the end of the year	97,356	348,075	312,474	757,905

20b Analysis of net assets between funds (Prior 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)
Net assets at the end of the year	126,925	444,053	259,390	830,368

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 £
Restricted funds:					
British Film Institute	46,948	458,696	(498,701)	42,031	48,974
BFI – Advice, information, support and training	127,413	276,678	(314,280)	3,502	93,313
Film Hub South East	59,380	535,000	(470,037)	-	124,343
MUBI bursary fund	1,000	-	(992)	(8)	-
Developing Your Own Film Festival 2020	7,285	(53)	(7,285)	53	-
Developing Your Own Film Festival 2022	-	4,985	(4,985)	1,121	1,121
ScreenSkills	-	9,222	(9,222)	-	-
Other training	19,058	68,725	(76,668)	142	11,257
Tours –	-	-	-	-	-
BFI – The Camera is Ours	-	-	-	8,695	8,695
BFI – Britain on Film	1,263	-	(324)	-	939
Arts Council England – Second Sight	(3,000)	3,000	-	-	-
Arts Council England – National Trails	-	24,987	(1,465)	-	23,522
National Lottery Cinema Weekend	43	37,165	(36,898)	-	310
Total restricted funds	259,390	1,418,405	(1,420,857)	55,536	312,474
Unrestricted funds:					
Designated funds:					
Fixed assets	349,053	-	(222,133)	49,444	176,364
Loan repayment	-	-	-	51,711	51,711
Sustainability fund	95,000	-	-	10,000	105,000
Miles Ketley filmmakers' bursary fund	-	-	-	15,000	15,000
Total designated funds	444,053	-	(222,133)	126,155	348,075
General funds	126,925	251,494	(99,372)	(181,691)	97,356
Total unrestricted funds	570,978	251,494	(321,505)	(55,536)	445,431
Total funds	830,368	1,669,899	(1,742,362)	-	757,905

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 2022

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 £
Restricted funds:					
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 Access	–	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
Total restricted funds	209,543	1,349,938	(1,299,138)	(953)	259,390
Unrestricted funds:					
Designated funds:					
Fixed assets	330,983	–	–	18,070	349,053
Sustainability fund	89,300	–	–	5,700	95,000
Total designated funds	420,283	–	–	23,770	444,053
General funds	111,834	180,406	(142,498)	(22,817)	126,925
Total unrestricted funds	532,117	180,406	(142,498)	953	570,978
Total funds	741,660	1,530,344	(1,441,636)	–	830,368

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.

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 2021/22 we distributed funds through 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 which will take place in August 2022 in Edinburgh. An on line version was held in March 2021.

ScreenSkills

Funding received to run an on line course – Data Driven Film Exhibition. In the prior year online versions of FEDS Elevate and DDM courses were provided.

Other training

Funding received from FAN. During 2021/22 we ran a the Women's Leadership course and also continued the FAN Festivals training which commenced in 2020/21.

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 2022

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

Second Sight which celebrated the UK's Black Workshop Movement continued into 2020/21.

Arts Council England

Funding received to commission three new films from British Artists for our National Trails tour.

National Lottery Cinema Weekend / Day

Funding received from Camelot to repay venues the ticket value of tickets given away on National Lottery Cinema Weekend in June 2021.

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.

Loan repayment

Due to a decrease in the value of the property and its subsequent impairment in these financial statements, £51,711 was repaid to Charity Bank in July 2022 to ensure that the Charity remained within the loan covenants. An amount has been set aside to account for this.

Sustainability fund

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

Miles Ketley filmmakers' bursary fund

An amount set aside to pay bursaries to filmmakers to enable them to attend industry events to aid their development.

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 2022 there were 13 (2021: 7) guarantees in place.