

Company number: 5369193
Charity number: 1109053

Independent Cinema Office

(Limited by Guarantee)

Report and Financial Statements

For the year ended 31 March 2024

Independent Cinema Office

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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
Sudha Bhuchar
Thea Burrows
Harry Kalfayan
Eleanor Lowe
Will Massa
Emily McDonald
Ameet Parekh
Simon Ward
Dorothy Wilson MBE FRSA (Chair)

Key management personnel:

Director/CEO – Catharine Des Forges
Head of Cinemas – David Sin
Head of Operations – Rebecca Clarke
Head of Partnerships & Development – Hatice Özdemirciler
Head of Finance – Hayley Collins

Bankers:

Barclays Bank Plc, Leicester LE87 2BB

Solicitors:

Bates, Wells & Braithwaite, 10 Queen Street Place, London EC4R 1BE

Auditors:

Kreston Reeves LLP
9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

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Trustees' report

The trustees present their report and the audited financial statements for the year ended 31 March 2024 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, advocacy for the sector, distribution and consultancy. We also manage Film Hub South East, part of the 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 comparable 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 users

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- Offering bursaries on all our training courses for those with caring responsibilities or access needs
- 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 the widest range of stories could reach the widest possible range of audiences. We have put inclusion and diversity at the heart of what we do ever since. Our work seeks to diversify the sector and the audiences the exhibition workforce serves, ensuring everyone is welcome. We are also continuously looking at how to foster positive change within the ICO and share the privilege and power we hold.

In 2021, we created an Equality, Diversity and Inclusion (EDI) action plan to increase ambition and drive meaningful change across ICO activities, the ICO as an organisation and the wider sector. EDI criteria are embedded into all levels of our organisation, from recruitment and HR policies to staff appraisals. We want to ensure every staff member feels part of the development of this work and accountable for their assigned actions. Our EDI plan is a living document that continues to evolve with the ICO, the wider sector, and the world at large, with progress updates published on our website every six months. Our activities include:

- An EDI Working Group, which has continued to meet once every three months. This voluntary group is made up of three trustees and several staff members who discuss essential areas of EDI work.
- For our Screening Days, we continue to work with an external Advisory Group. We seek to ensure our Screening Days are accessible to all, offering no strings bursaries to pay for delegate travel, accommodation and pass fees. The events are also available online so that those with caring responsibilities, health conditions and mobility issues can watch films and take part in sessions online. We have commissioned new descriptive subtitles for the D/deaf and Hard of Hearing for as many films as possible in our online programme. We have committed to showing at least 30% of films from disabled filmmakers, filmmakers from Black, Asian and ethnically diverse backgrounds, or anyone at the intersection of these.
- We are committed to working with a broader range of people when selecting speakers, writers, designers and other freelancers. The introduction of an anonymous feedback form in October 2023 will help achieve this goal and improve the experience of our collaborators going forward.
- We have reviewed the language used on the ICO website to ensure it is inclusively and thoughtfully worded in line with our EDI objectives.

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 and serve all their local audiences.

In 2023-24 the ICO programming network saw some changes, with 6 client venues departing and 3 new venues joining the network, including one in Scotland to extend the ICO's geographic reach. Two of our existing client venues (Phoenix Leicester and Hyde Park Picturehouse Leeds) completed development projects, adding 3 further screens to the Network. We ended the year with 25 venues and one major regional film festival, and this remains one of the UK's biggest independent cinema networks. In an improved but still challenging economic environment, our programming team worked closely with venues to help them continue to rebuild their audiences and diversify their programmes to include a wider range of culturally important films.

This year, our network screened 880 films, achieving 844k total admissions and £5.9m gross box office, with ICO cinemas making vital contributions to the broader UK performance of key independent and world cinema titles.

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 best to position these films for their audiences.

Owing to a cut in our funding in 2023-24, we now deliver four events annually (previously five), alternating between Archive Screening Days and Young Audiences Screening Days every other year. We maintain our Inclusion and Diversity event and our Spring and Autumn events.

We continued to work with our advisory group in 23/24 to help us understand how we can continue to deliver an event that meets the needs of our widest potential audience. We also continued to hold paid open calls for curated sessions for our specialised events, giving a national stage to groups and work that might otherwise stay on the margins. As well as increasing accessibility by offering online-only attendance, an affordable pricing model and bursary support to delegates, we made online films available with subtitles for the Deaf/hard of hearing and provided live captioning on capacity-building sessions held online.

We have also introduced a one-day audience development event preceding our Spring and Autumn event. These have become useful closed-door meetings between theatrical exhibitors, not only giving clear routes to new audiences, but also showcasing ICO's central place in this area. We have offered case studies of effective working, shared audience data from research agency Indigo and offered ICO-led workshops to help find new audiences and highlight emerging trends from our national perspective.

Total figures for the Screening Days programme this year:

- 1,105 delegates attended the events (online, in-person or a combination of both)
- 314 unique organisations represented

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- 61 films screened – 52% of which were foreign language; 38% made by Black, Asian and ethnically diverse filmmakers or disabled filmmakers; 45% by female filmmakers.

Training

The ICO's training portfolio offers film exhibition professionals the opportunity to benefit from high-level knowledge to ensure our industry is successful, inclusive, and progressive. In 2023-24, ICO training responded to sector needs by supporting key professional development aims for individuals and charting a path towards a highly skilled, financially sustainable and inclusive future for exhibition organisations.

We held professional development and training opportunities both in-person and online, with courses offered in hybrid formats.

Supported by the British Council, we hosted the Future of Film Festivals Forum, a summit which was created to support the alumni of the Developing Your Film Festival (DYFF) training programme. Hosted in collaboration with the mBank New Horizons International Film Festival in Wroclaw, Poland, the event was a culmination of 11 successful and acclaimed editions of the DYFF training programme, which 100% of the 300 alumni would recommend to their peers. Delivered across two days, the Forum programme consisted of multiple seminar-style sessions supported by guests from leading international film festivals, including the Toronto International Film Festival and Tribeca Film Festival, as well as senior team members at the ICO.

The event was attended by 44 film festival professionals representing 41 international film festivals based in 24 countries.

Following on from the Future of Film Festivals Forum, the ICO established the International Film Festival Network (IFFN), a membership-based community of film festivals with a mission to secure a vibrant future for film festivals. Launched in September 2023, the network quickly grew to include 18 members from 14 countries. Development and networking sessions were hosted for members both online and at major international film festivals including the Berlin International Film Festival.

The fourth edition of our REACH: Strategic Audience Development training programme started in March 2023, running through until September 2024, giving 11 film exhibition professionals support to build on their expertise in growing and diversifying audiences. Participants were provided with one-to-one mentorship, skills development workshops and high-level networking opportunities.

Finally, we launched our latest Online Learning Course – 'Environmental Sustainability' – to help cinemas address the climate crisis head-on. Our Online Learning Platform attracted a total of 333 new course enrolments this year, a 16% increase on 2022-23. This brings the total enrolments since the platform's inception to 2,607.

Across all our online, in-person and hybrid training courses and programmes, we trained 401 individuals from 380 different organisations and 24 countries in 2023-24.

Advice and Information

The ICO provides impartial, expert advice on a vast array of topics to ensure that everyone can show films and be a part of our sector.

Via our free, email-based enquiries service, we share advice on licensing requirements, identifying the rights holders of films, starting new cinemas, getting films into distribution and

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more. This service plays a significant role in increasing the number of community film screenings taking place in the UK each year and supporting new and existing venues.

We answered almost 900 email enquiries this year, 42% of which were from individuals or organisations hoping to start screening films in their communities for the very first time.

Complementing this service is the comprehensive suite of free guides and resources on our website. This includes our popular 'What licences do I need?' resource and our 'How to start a cinema' guide, as well as guides on programming, marketing, environmental and financial sustainability, and more.

The ICO blog is a key resource for independent exhibitors, sharing news and opportunities in a regular monthly round-up as well as publishing articles showcasing examples of best practices in cinema work and exploring industry debates. We published 28 blog posts this year: the most popular discussing the benefits of cinemas using content notices and reporting intelligence on new films seen at 2023 festivals.

Our blog also supports professional development in the sector more widely. We publish writers at various career stages who hail from a variety of backgrounds. To ensure we are providing a fair rate of pay, this year we researched the fees of similar outlets and as a result increased our rate to £0.19 per word.

Our jobs board plays a significant role in the independent exhibition sector, providing a free service for employers and job seekers alike. We require employers to state specific salaries and limit the voluntary roles we include, making the job application process clearer and fairer for job seekers, while helping exhibitors find the best talent. This year our jobs page accumulated almost 150,000 views with our daily jobs e-bulletin reaching 5,000+ subscribers.

In 2023-24:

- We answered 867 enquiries and advertised 430 jobs
- We published 28 posts on the ICO Blog, reaching over 17k readers
- ICO online guides were downloaded 2,878 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 2023-24, we supported our members to show a broad range of independent international and British films to their audiences and find new pathways towards financial growth and sustainability. We also began a new role as the national lead on Cross FAN Member Support and Communications activities.

Our key strategic fund, the Film Exhibition Fund, is designed to support regional exhibitors' cultural film programming and audience development activities. This year, we approved 31 project proposals and made awards totalling £189,084 in 2023-24, with 23% of funds going to members who hadn't previously received FHSE support, and supported projects generating 48,076 admissions across the region.

In addition, we:

- Made new funding opportunities available, launching our Under £3k fund and offering multi-year funding for the first time to ease the administrative burden on both organisations making smaller applications and those applying for multi-year awards, enabling the latter to build greater ambition into their proposals
- Held a dedicated Film Hub South East Forum event comprising capacity-building training sessions and networking opportunities, attended by 80+ members

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- Held a series of dedicated training events for FHSE members – welcoming 111 members to events held both in-person and online and supporting their attendance with bursaries totalling £2,951
- Maintained our Programming Group initiative giving key regional theatrical sites updates on sector developments, funding opportunities, and a menu of new films backed by bespoke marketing support, with quarterly meetings
- Helped 16 regional exhibitors participate in the UK-wide BFI FAN programming season 'Cinema Unbound: The Creative Worlds of Powell + Pressburger' celebrating the filmmaking duo's extraordinary contribution to British cinema
- Achieved 1,914 admissions in Peterborough, our BFI FAN Spotlight location, working in partnership with Gateway Film Festival to improve local access to independent film
- Provided crucial resources and support to the next generation of cinema audiences and industry professionals via our Young Film Network (YFN), a free-to-join network made up of 16 groups across the South East
- Continued to support regional filmmakers via BFI NETWORK South East by:
 - Awarding £156,000 to new Short Film Fund projects and £13,800 to Early Development Fund projects
 - Welcoming 1,693 people to a broad array of training and networking events held in-person and online
 - Supporting three young filmmakers aged 18-23 with a £1,000 grant plus mentorship from BFI NETWORK-supported directors and producers to develop their skills and create their first short film on a budget.

Distribution

While a great number of films are released into distribution UK each year, the opportunity to see a true diversity of work remains limited. The ICO intervenes in the marketplace to champion films of cultural significance and/or which have an important appeal to a specific underserved audience. In 2023-24, we adapted our approach to reimagine distribution at ICO – historically undertaken with BFI backing, which is now difficult to directly attract given the reduced size of the overall fund – so that we can share our organisational strength and expertise with organisations who have a strong track record with audiences.

ICO worked with curatorial groups Cinema Africa! and Maona Arts to deliver a national tour of South African underseen classic *Mapantsula* (1988) to cinemas. Our aim was to bolster the work they are doing in a wider context to deliver African diaspora audiences to independent cinemas, by sharing our skills and knowledge at national touring. We gave them insight and knowledge on our approach, with the curators activating local audiences. We achieved 30 bookings for the film (compared with an average of 10-12 for their solo releases). We plan to work with the collective again and are actively approaching other groups with strong audience connections to repeat this new model for distribution.

Consultancy

Through consultancy, independent cinema operators can attain best practice at all stages of the cinema operation process, from initial feasibility studies through to business planning and into issues of 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

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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 2023-24, our consultancy work was mainly pre-feasibility work around the development of new cinemas, working with both community groups and interested individuals in Plymouth, Newton Abbott, Prestwick in Scotland and Tenterden in Kent.

Financial review

In the year ended 31 March 2024 ICO's income was derived from grant income and fees for programming, courses, screening days, advocacy, consultancy and film hire. The charity's main expense is staff costs. Other costs relate to expenses in running courses and grant-giving. Income was reduced by £238,647 in the year ended 31 March 2024 primarily due to a decrease in training events, a reduction in distribution activity, and less funding for consultancy work. This was partly offset by increased funding for Film Hub South East. The reduction in income meant that the charity strived to keep costs down with the ICO reporting a decrease in total costs of £421,500.

A review of the property in Bickels Yard indicated an impairment in its value of £44,446. A consequence of this was that the loan to value covenant for the Charity Bank was breached and a repayment of £9,617 will be made to rectify this.

Overall net income for the year was £58,321 (comprising a £27,454 surplus on unrestricted funds and a £30,867 surplus on restricted 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.

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. All grants are assessed by a minimum of 3 members of the ICO's Senior Management team.

We also award grants to filmmakers from the Miles Ketley Bursary Fund. These monies come from ICO's designated funds. They are assessed by a panel of Trustees and Miles' widow, Rebecca Ketley.

Reserves policy and going concern

The reserves policy is reviewed by the trustees on a regular basis. Currently, the reserves policy seeks to have three months running costs available to enable the charity to seek alternative or additional funding, if necessary. This equates to £220,522 (2023: £220,000). At 31 March 2024 free reserves were £208,107. The ICO have budgeted for a small surplus in 2024/25.

Total funds held at the 31 March 2024 were £691,694 of which £115,969 is restricted funds and

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£575,725 unrestricted funds. Included in unrestricted funds are designated amounts of £367,618. 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. The Miles Ketley filmmakers' bursary fund has been established to commemorate our trustee who died in 2019. Funds have been set aside to run an international film festival training event.

The ICO was awarded three-year funding from the BFI commencing April 2023. The trustees therefore believe that, combined with our available general funds, the charity is a going concern and will be able to pay its liabilities as they fall due.

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. All Trustees have a job description, and new trustees have a full induction programme and are offered the NCVO induction/refresher Trustee course.

We know the immense value of having a broad range of experiences and voices guiding our work. This is of particular importance when it comes to our trustees, who under the leadership of our Chair, work closely with our Senior Management Team to steer and monitor the ICO's strategic development. They ensure we remain focused on improving our work and broadening its reach to UK audiences.

We also engage several advisory groups to help us interrogate and reflect on specific areas of ICO work and ensure we better represent the communities we serve. We encourage these advisory group members to develop their relationships with us by applying to become trustees when their terms have finished.

We prioritise the importance of trustees and staff working together and learning from each other to deliver truly valuable, high-quality work. Trustees and staff often undertake organisation-wide training together and we ensure that staff can independently contact trustees, so they have an additional channel to raise issues and challenge harassment or discrimination.

Staff members regularly present at ICO board meetings on distinct areas of our current work, helping trustees make informed assessments about what ambition looks like for us as an organisation and agree on stretch targets to further improve and develop our practice.

Similarly, anonymous evaluation is an embedded part of our cultural programmes. Evaluation data is shared with trustees in quarterly board reports, to which all ICO teams contribute detailed updates on their work.

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Our integration of trustees and staff ensures that we foster the sharing of ideas and maximise our combined expertise and diverse lived experiences, benefiting the reach of our organisation, the venues we support and the audiences we serve.

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	Funding renewed for three years until 2026. Consider opportunities in new funding bids. Explore new relationships and opportunities. Invest in marketing consultancy services and sponsorship development.	Strong	High
Property loan – facility may be withdrawn	High	Quarterly management accounts, cash flow, regular review of bank covenants.	Strong	High

Plans for the future

The economic outlook for cinemas and film festivals remains challenging – there are still a number of organisations who are finding things difficult and our role is to support the sector and advocate on their behalf for the impactful intervention and structural support. We will continue with our advocacy work and undertake a national survey of organisations, presenting the outcome to national press and government.

We will continue with our support services for the sector including advice, information and programming as well as the continuation of our audience development evaluation project across venues.

We will deliver a fully hybrid portfolio of Screening Days events for exhibitors across the UK, both showcasing new releases and building capacity in professionals and arts organisations.

We will be the lead organisation for the BFI's FAN (Film Audience Network) for Member Support and Communications and will continue to convene our national advisory group to help us in our work.

We will deliver a national conference in Belfast for the Film Audience Network over 2 days in September 2024.

We will deliver a new major national short course on Disability for the sector with the aim that the participants gain the tools to develop their own Disability Action Plans for their organisations. In addition, we will continue with our programmes on business development and audience development and online seminars to engage the wider membership who are unable to make the time commitment to longer training courses.

We will deliver a new iteration of our flagship Cultural Cinema Exhibition course in January 2025.

We will hold the first International Film Festival Network summit in Poland in partnership with the New Horizons Film Festival in Poland and continue to hold events and deliver support for the Network.

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We will continue to support filmmakers and exhibitors in the South East region of the UK as part of our work running Film Hub South East. In addition, we will continue to support and develop our FHSE Young Film Network with ongoing management of our dedicated website and member resources. We will begin our new 'Shadow a Filmmaker' programme enabling young people to gain valuable experience on our NETWORK short film productions.

We will be developing our succession plan and recruitment drive to replace our Chair in 2025.

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 in their capacity as trustees. 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 three subcommittees, Finance, Personnel & HR and EDI which make recommendations to the wider board.

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:

Director/CEO – Catharine Des Forges
Head of Cinemas – David Sin
Head of Operations – Rebecca Clarke
Head of Partnerships & Development – Hatice Özdemirciler
Head of Finance – Angela Blanchard (resigned 31 May 2024)
Head of Finance – Hayley Collins (appointed 01 May 2024)

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.

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

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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 the 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

Kreston Reeves LLP was appointed in the year and has expressed its willingness to continue in office.

This report was approved by the Board of Trustees on 26 November 2024 and signed on its behalf by



Dorothy Wilson MBE FRSA
Chair

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

Opinion

We have audited the financial statements of Independent Cinema Office (the 'Charity') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, Analysis of Changes in Net Debt 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 Charity's affairs as at 31 March 2024 and of the charity's incoming resources 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Charity'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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our

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report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations require us to report you, if in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the Trustees 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

Independent Cinema Office

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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and sector, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, health and safety, anti-bribery, GDPR legislation and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) 2019, the Charities Act 2011, the Companies Act 2006, and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates specifically in recognising the accrued legacies.

Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation; and
- Challenging assumptions and judgements made by management in its significant accounting estimates.

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.

Independent Cinema Office

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' 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 Charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Kreston Reeves LLP

Statutory Auditor
Chartered Accountants
Chichester

Date: 5 December 2024

Kreston Reeves LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

Independent Cinema Office

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

For the year ended 31 March 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Income and endowments from:							
Donations	2	249	–	249	181	–	181
Charitable activities							
Programming	3	201,649	419,551	621,200	225,718	398,061	623,779
Advice, information, support & training	3	4,859	112,395	117,254	35,999	402,213	438,212
Film Hub South East	3	–	894,764	894,764	–	560,000	560,000
Distribution	3	4,723	6,527	11,250	41,751	144,360	186,111
Advocacy	3	–	30,124	30,124	–	13,176	13,176
Consultancy	3	9,980	–	9,980	18,278	87,628	105,906
Other trading activities	4	6,272	–	6,272	7,242	–	7,242
Investments – bank interest	5	2,973	–	2,973	453	–	453
Other income	6	3,974	–	3,974	1,400	–	1,400
Exchange gain		–	–	–	227	–	227
Total income		234,679	1,463,361	1,698,040	331,249	1,605,438	1,936,687
Expenditure on:							
Charitable activities							
Programming	7	68,516	428,210	496,726	54,211	443,842	498,053
Advice, information, support & training	7	17,023	139,090	156,113	73,300	488,805	562,105
Film Hub South East	7	92,164	837,739	929,903	11,930	633,637	645,567
Advocacy	7	5,020	27,897	32,917	1,293	18,898	20,191
Distribution	7	4,302	12,725	17,027	51,081	178,905	229,986
Consultancy	7	7,033	–	7,033	9,898	88,177	98,075
Other trading activities	7	–	–	–	7,242	–	7,242
Total expenditure		194,058	1,445,661	1,639,719	208,955	1,852,264	2,061,219
Net Income / (expenditure) for the year	9	40,621	17,700	58,321	122,294	(246,826)	(124,532)
Transfers between funds	21	(13,167)	13,167	–	(19,454)	19,454	–
Net movement in funds		27,454	30,867	58,321	102,840	(227,372)	(124,532)
Reconciliation of funds:							
Total funds brought forward		548,271	85,102	633,373	445,431	312,474	757,905
Total funds carried forward	21	575,725	115,969	691,694	548,271	85,102	633,373

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.

Balance sheet

Company no. 5369193

As at 31 March 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Tangible assets	15		1,040,548		1,109,173
Current assets:					
Debtors	16	67,120		148,154	
Cash at bank and in hand		547,331		487,263	
		614,451		635,417	
Liabilities:					
Creditors: amounts falling due within one year	17	(215,990)		(312,310)	
Net current assets			398,461		323,107
Total assets less current liabilities			1,439,009		1,432,280
Creditors: Amounts falling due after more than one year	19		(747,315)		(798,907)
Total net assets	20a		691,694		633,373
The funds of the charity:	21a				
Restricted income funds in surplus			115,969		85,102
Unrestricted income funds:					
Designated funds		367,618		380,889	
General funds		208,107		167,382	
Total unrestricted funds			575,725		548,271
Total charity funds			691,694		633,373

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.

For the year ending 31 March 2024 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. However an audit is required under the Charities Act 2011. The Trustees acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

Approved by the trustees on 26 November 2024 and signed on their behalf by



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 2024

	2024 £	£	2023 £	£	
Cash flows from operating activities					
Net cash provided by operating activities		149,255		(173,473)	
Cash flows from investing activities:					
Dividends, interest and rents from investments	2,973		453		
Purchase of fixed assets	(6,227)		(13,981)		
Disposal of fixed assets	707		-		
Net cash provided by/(used in) investing activities		(2,547)		(13,528)	
Cash flows from financing activities:					
Repayments of borrowing		(86,494)		(139,252)	
Change in cash and cash equivalents in the year		60,214		(326,253)	
Cash and cash equivalents at the beginning of the year		487,263		813,289	
Change in cash and cash equivalents due to exchange rate movements		(146)		227	
Cash and cash equivalents at the end of the year		547,331		487,263	
Reconciliation of net income to net cash flow from operating activities					
		2024 £		2023 £	
Net Income for the reporting period		58,321		(124,532)	
Gain on disposal of fixed assets		(158)		-	
Depreciation charges		29,857		27,607	
Impairment of property		44,446			
Interest from investments		(2,973)		(453)	
Interest on bank loans		37,601		40,616	
Foreign exchange (gain)/losses		146		(227)	
(Increase) / decrease in debtors		81,034		(52,707)	
Increase / (decrease) in creditors		(99,019)		(63,777)	
Net cash provided by operating activities		149,255		(173,473)	
Analysis of changes in net debt					
	At 01 April 2023 £	Cash flows £	Foreign exchange movements £	Other changes £	At 31 March 2024 £
Cash at bank and in hand	487,263	60,214	(146)	-	547,331
Loans falling due within one year	(48,892)	48,892	-	(51,591)	(51,591)
Loans falling due after more than one year	(798,907)	1	-	51,591	(747,315)
Total	(360,536)	109,107	(146)	-	(251,575)

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

Independent Cinema Office has been awarded three-year funding from the BFI commencing April 2023. At the balance sheet date the charity has sufficient reserves, enough of which are unrestricted and are able 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.

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.

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.

1 Accounting policies (continued)

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	39.0%
● Training	6.6%
● Film Hub South East	50.6%
● Advocacy	2.4%
● Distribution	0.8%
● Consultancy	0.7%

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.

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.

Independent Cinema Office

Notes to the financial statements

For the year ended 31 March 2024

1 Accounting policies (continued)

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 fair value depreciated over its remaining useful life.

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.

2 Donations

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Other donations	249	–	249	181
Total	249	–	249	181

3 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Programming				
BFI	–	383,603	383,603	398,061
Venue income	195,353	–	195,353	190,340
Sponsorship income	6,083	5,075	11,158	7,428
Screening days income	–	26,968	26,968	27,823
Contribution in kind	–	3,813	3,813	–
Other	213	92	305	127
Sub-total	201,649	419,551	621,200	623,779
Training				
ScreenSkills	828	–	828	3,970
Creative Europe Media	–	–	–	60,200
BFI	–	29,606	29,606	226,402
British Council	–	75,000	75,000	10,177
Third party contributions	–	–	–	56,250
Course fees	4,031	1,118	5,149	58,317
Contribution in kind	–	5,400	5,400	13,600
Sponsorship	–	–	–	8,333
Membership	–	1,271	1,271	–
Other income	–	–	–	963
Sub-total	4,859	112,395	117,254	438,212
Film Hub South East				
BFI	–	841,894	841,894	560,000
Watershed Arts Trust Ltd	–	33,670	33,670	–
Course fees	–	19,200	19,200	–
	–	894,764	894,764	560,000

Independent Cinema Office

Notes to the financial statements

For the year ended 31 March 2024

3 Income from charitable activities (continued)

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Distribution				
BFI	-	-	-	79,510
Arts Council England	-	4,997	4,997	19,990
Distribution fee	1,875	-	1,875	20,353
Film hire and print transport	1,123	1,430	2,553	21,398
Third party contributions	-	-	-	30,860
Contribution in kind	-	-	-	14,000
Other income	1,725	100	1,825	-
Sub-total	4,723	6,527	11,250	186,111
Advocacy				
BFI	-	30,124	30,124	13,176
Consultancy				
Fees	9,780	-	9,780	18,020
Other income	200	-	200	87,886
Sub-total	9,980	-	9,980	105,906
Total income from charitable activities	221,211	1,463,361	1,684,572	1,927,184

The proportion of income from charitable activities derived from outside the UK amounted to 0.1% (2023: 6.3%).

4 Other trading activities

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Desk space and board room hire	6,272	-	6,272	7,242

5 Income from investments

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Bank interest	2,973	-	2,973	453

6 Other income

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Contribution in kind	-	-	-	1,400
Gain on disposal of fixed assets	158	-	158	-
Income received from legal action	3,191	-	3,191	-
Advertising income	150	-	150	-
Other income	475	-	475	-
	3,974	-	3,974	1,400

Independent Cinema Office
Notes to the financial statements
For the year ended 31 March 2024

7 Analysis of expenditure

	Programming £	Training £	Film Hub South East £	Advocacy £	Distribution £	Consultancy £	Other trading activities £	2024 Total £	2023 Total £
Staff costs (Note 12)	312,410	54,334	407,391	18,947	6,289	5,330		804,701	935,104
Fees – Course leader/Speaker/Film maker/Project manager	24,175	14,227	76,381	7,680	5,492	–		127,955	247,311
Focus group/evaluation	900	–	5,964	371	–	–		7,235	6,382
Film hire	600	–	90	–	1,247	–		1,937	30,448
Filming & editing	–	2,217	–	–	150	–		2,367	2,655
Catering/hospitality/entertaining	22,686	3,237	7,567	26	9	7		33,532	44,047
Marketing and publicity	1,018	3,159	3,745	443	37	12		8,414	24,421
Couriers/transport	315	32	140	3	646	1		1,137	5,952
Production programming costs	9,774	1,500	2,288	–	500	–		14,062	41,902
Certification/accreditation	675	5,812	97	2	576	1		7,163	6,777
Venue hire	25,839	602	10,203	–	–	–		36,644	59,282
Bursaries	528	12,747	11,413	–	–	–		24,688	38,161
Hotel, travel & subsistence	19,385	35,421	12,756	197	163	144		68,066	94,601
Grants (Note 14)	–	–	271,929	–	–	–		271,929	303,280
IT/Web costs	13,011	4,206	14,702	448	185	126		32,678	36,462
Office costs	11,000	1,862	20,537	1,019	139	153		34,710	45,703
Premises costs	10,230	1,727	13,288	620	206	175		26,246	19,528
Depreciation and impairment costs	28,972	4,631	37,784	1,595	678	643		74,303	27,607
Audit	5,457	921	7,088	331	110	93		14,000	17,639
Annual report	–	–	–	–	–	–		–	2,336
Legal & professional	2,170	5,866	2,818	132	44	37		11,067	5,711
Bad debts	(11,194)	102	192	10	153	3		(10,734)	10,933
Bank charges & interest	15,755	3,000	19,608	910	342	256		39,871	43,343
Irrecoverable VAT	2,963	500	3,848	180	60	51		7,602	11,172
Trustees' training	–	–	–	–	–	–		–	461
Exchange loss	57	10	74	3	1	1		146	–
	496,726	156,113	929,903	32,917	17,027	7,033	–	1,639,719	2,061,219
Total expenditure 2023	498,054	562,106	645,567	20,191	229,986	98,075	7,242	2,061,219	

Of the total expenditure, £149,612 was unrestricted (2023: £208,955) and £1,445,661 was restricted (2023: £1,852,264).

Independent Cinema Office

Notes to the financial statements

For the year ended 31 March 2024

8. Support costs

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

	2024 £	2023 £
Staff costs	137,909	118,976
Couriers / transport	139	(163)
Catering/ hospitality/entertaining	1,102	4,200
Certification/accreditation	85	458
Marketing and publicity	1,805	1,407
Hotel travel & subsistence	8,319	7,715
IT/Web costs	18,937	13,512
Office costs	17,728	20,544
Premises costs	26,246	12,286
Depreciation	29,857	27,607
Impairment of property	44,446	-
Legal and professional	4,466	2,560
Bank charges and interest	38,496	41,507
Irrecoverable VAT	7,600	11,172
Bad debts	418	-
Exchange loss	146	-
Governance	15,100	22,072
	352,799	283,853

Governance costs consist of:

	2024 £	2023 £
Audit fees	14,000	13,500
Annual report	-	2,335
Legal fees	1,100	3,150
Trustees' training	-	2,625
Trustees' expenses	-	462
	15,100	22,072

9 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2024 £	2023 £
Depreciation of tangible fixed assets	29,857	27,607
Impairment of property and refurbishment costs	44,446	-
Bank interest payable	37,601	40,616
Auditors' remuneration (excluding VAT):		
Statutory audit	14,000	12,500
current year	-	1,000
prior year underaccrual	-	4,140
Other audit	-	4,140
Foreign exchange (surplus)/loss	146	(227)

10 Related party transactions

Mel Clarke, the sister of Becky Clarke, Head of Operations, was paid £nil during the year for design work on various projects (2023: £1800).

During the year, Vision Box, co-directed/owned by Simon Ward, an ICO trustee, and his wife Corrina Ward, was awarded £500 in connection with the Cinema Unbound Powell & Pressburger season (funded by Film Hub South West); at 31 March 2024, £nil was outstanding. In 2024, Vision Box was awarded £nil through the Film Exhibition Fund (2023: £10,000). Simon Ward was also paid £nil for speaker and interview fees (2023:£200). In November 2023 Sudha Bhuchar, trustee, was paid £200 for assistance with trustee recruitment (2023: £nil).

The ICO receives funding from the British Film Institute ("BFI"). One of the governors of the BFI, Monica Chadha, is the wife of Ameet Parekh a trustee of the ICO. Monica was not involved in the decision making process for the funding of the ICO. As per the BFI's delegated areas of authority in respect of the Board of Governors, the levels of funding received by the ICO from the BFI are below the threshold requiring approval by their Board of Governors.

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Notes to the financial statements

For the year ended 31 March 2024

11 Corporation taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and 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:

	2024 £	2023 £
Salaries and wages	686,820	790,671
Social security costs	64,546	75,032
Employer's contribution to defined contribution pension schemes	30,787	35,329
Freelance staff	11,255	14,825
Staff recruitment	1,434	805
Staff training	1,325	9,933
Human resources fees	5,597	5,539
Occupational Health Insurance	2,483	2,631
Other staff costs	454	340
	804,701	935,105

One employee received employee benefits (excluding employer pension costs) during the year in the band £60,000 – £70,000 (2023:1).

The total employee benefits including employer national insurance and pension contributions of the key management personnel were £263,633 (2023: £257,640).

No expenses were paid to the Trustees during the year (2023: £462 for subsistence and accommodation for attending the Board away day and screening days).

The trustees neither received nor waived any remuneration during the year (2023: £nil). For other transactions relating to trustees, please refer to Note 10.

13 Staff numbers

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

	2024 No.	2023 No.
Programming	4.5	5.5
Training	1.2	9.3
Film Hub South East	8.8	5.5
Advocacy	0.2	0.2
Distribution	0.1	2.2
Consultancy	0.2	0.3
Support	5.1	3.5
	20.1	26.5

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Notes to the financial statements

For the year ended 31 March 2024

14 Grants

	2024	2023
	£	£
Paid from restricted funds:		
Payments to Institutions	<u>271,929</u>	<u>303,280</u>

Payments to Institutions analysed as follows:

	2024
	£
Film Hub South East	
Film Exhibition Fund – Young Audiences	1,500
Balik Arts	1,250
Lion Mountain Entertainment	2,750
Riverside Restaurant and Theatre	5,000
Watersprite Film Festival	
	<u>10,500</u>

	2024
	£
Film Exhibition Fund	
Anglo Asiatic Arts & Heritage Alliance	7,500
Brighton Rocks International Film Festival (BRIFF)	4,000
Cambridge Film Festival	23,000
Chichester Cinema at New Park	16,500
CineCity Film Festival	17,000
Creative Arts East	30,000
Fabrica	5,000
Folkestone Documentary Festival	7,500
Kent Film Foundation	5,000
Latest Group	4,000
Lion Mountain Entertainment	3,750
Maona	2,000
Ramsgate International Film & TV Festival	5,000
ReelN Ltd	6,400
Riverside Restaurant & Theatre	3,430
Sunrise Studios (part of Access Community Trust)	7,500
The Theatre Chipping Norton	4,348
Watersprite Film Festival	6,500
Women Over Fifty Film Festival CIC	3,000
	<u>161,428</u>

	2024
	£
Small Pots Fund	
The Horton Arts Centre	3,000
ADEC (Arts Development in East Cambridgeshire) T/A Babylon ARTS	3,000
Aldeburgh Trust	1,100
Chichester Cinema at New Park	1,796
Deal Film Festival	260
Electric Palace, Hastings	2,000
South Hill Park Arts Centre	3,000
The Suffolk Short Film Festival CIC (Suffolk Shorts)	1,500
Through A Different Lens	1,500
	<u>17,156</u>

	2024
	£
FHSE Programming Group	
Babylon Arts	200
Chichester Cinema New Park	400
Electric Palace, Hastings	600
King Street Cinema	600
South Hill Park	600
Towner, Eastbourne	600
Ultimate Picture Palace	600
	<u>3,600</u>

	2024
	£
Spotlight	
CineSister CIC	38,000
	<u>38,000</u>

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Notes to the financial statements

For the year ended 31 March 2024

	2024 £
Film Academy Plus	
Electric Palace, Hastings	4,500
Fabrica	4,500
	<u>9,000</u>

	2024 £
Cinema Unbound – Powel & Pressburger	
Aldeburgh Cinema Trust	375
Cambridge Film Trust	2,000
Chichester Film Festival	500
CineCity Film Festival	1,500
Cinema City Norwich	500
Depot Cinema, Lewes	2,500
Electric Palace Cinema, Hastings	5,000
Fabrica	7,370
Golden Arrow	4,350
King Street Cinema, Ipswich	500
King's Lynn Film Festival	250
Norwich Film Festival	125
The Regal Picturehouse	500
The Ultimate Picture Palace, Oxford	5,900
Vision Box - Palace Cinema	500
Worthing Theatres and Museum (Connaught Cinema)	375
	<u>32,245</u>
Total Film Hub South East	<u>271,929</u>

15 Tangible fixed assets

	Long leasehold property	Leasehold refurb – ishment £	Database and website £	Fixtures, fittings & equipment £	Total £
Cost					
At the start of the year	1,308,014	65,082	35,973	41,762	1,450,831
Additions in the year	–	–	–	6,227	6,227
Disposals in year	–	–	–	(5,159)	(5,159)
At the end of the year	1,308,014	65,082	35,973	42,830	1,451,899
Depreciation					
At the start of the year	216,488	65,082	35,973	24,115	341,658
Charge for the year	23,474	–	–	6,383	29,857
Disposals in year	–	–	–	(4,610)	(4,610)
Impairment	44,446	–	–	–	44,446
At the end of the year	284,408	65,082	35,973	25,888	411,351
Net book value					
At the end of the year	<u>1,023,606</u>	<u>–</u>	<u>–</u>	<u>16,942</u>	<u>1,040,548</u>
At the start of the year	1,091,526	–	–	17,647	1,109,173

All of the above assets are used for charitable purposes.

16 Debtors

	2024 £	2023 £
Trade debtors	32,122	42,168
Other debtors	119	–
Prepayments	26,680	65,002
Accrued income	8,199	40,984
	<u>67,120</u>	<u>148,154</u>

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Notes to the financial statements

For the year ended 31 March 2024

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Grants payable	5,919	54,473
Secured bank loans	51,591	48,892
Trade creditors	75,760	46,004
Accruals	37,011	42,607
Other creditors	214	532
Taxation and social security	29,351	31,622
Pension contributions	3,229	3,180
Deferred income (note 18)	12,915	85,000
	215,990	312,310

18 Deferred income

	2024 £	2023 £
Deferred income comprises of grant and income for events taking place in 2023/24 and consultancy fees received in advance of the work being carried out.		
Balance at the beginning of the year	85,000	123,342
Amount released to income in the year	(76,271)	(67,092)
Amount deferred in the year	4,186	28,750
Balance at the end of the year	12,915	85,000

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

	2024 £	2023 £
Secured bank loans – falling due in less than 5 years	130,828	155,172
Secured bank loans – falling due after 5 years	616,487	643,735
	747,315	798,907

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 £1,023,606. The loans are secured with fixed and floating charges over the assets of the charity. Following a review of its value, a decision was made to impair the property. This has resulted in a breach of the Charity Bank loan to value covenant. Consequently, a repayment of £9,617 will be made to Charity Bank.

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	1,040,548	-	1,040,548
Net current assets	208,107	74,385	115,969	398,461
Creditors due after more than one year	-	(747,315)	-	(747,315)
Net assets at the end of the year	208,107	367,618	115,969	691,694

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	1,109,173	-	1,109,173
Net current assets	167,382	70,623	85,102	323,107
Creditors due after more than one year	-	(798,907)	-	(798,907)
Net assets at the end of the year	167,382	380,889	85,102	633,373

Independent Cinema Office

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For the year ended 31 March 2024

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	11,152	449,975	(461,565)	13,225	12,787
BFI – Advice, information, support and training	21,977	29,927	(51,020)	264	1,148
Film Hub South East	45,598	894,764	(837,739)	(3,908)	98,715
DYFF online resource	–	797	(21)	–	776
ScreenSkills	75	–	(75)	–	–
Other training	2,243	81,671	(87,973)	6,115	2,056
Tours –					
BFI – The Camera is Ours	500	–	(462)	(38)	–
BFI – Britain on Film	627	100	(240)	–	487
Arts Council England – National Trails	2,930	6,127	(6,566)	(2,491)	–
Total restricted funds	85,102	1,463,361	(1,445,661)	13,167	115,969
Unrestricted funds:					
Designated funds:					
Fixed assets	261,374	–	(74,852)	55,120	241,642
Sustainability fund	110,000	–	–	5,000	115,000
International training event	–	–	–	6,500	6,500
Miles Ketley filmmakers' bursary fund	9,515	–	(5,039)	–	4,476
Total designated funds	380,889	–	(79,891)	66,620	367,618
General funds	167,382	234,679	(114,167)	(79,787)	208,107
Total unrestricted funds	548,271	234,679	(194,058)	(13,167)	575,725
Total funds	633,373	1,698,040	(1,639,719)	–	691,694

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

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	48,974	477,082	(537,051)	22,147	11,152
BFI – Advice, information, support and training	93,313	247,362	(319,529)	831	21,977
Film Hub South East	124,343	560,000	(633,637)	(5,108)	45,598
Developing Your Own Film Festival 2022	1,121	85,784	(91,885)	4,980	–
ScreenSkills	–	4,120	(4,045)	–	75
Other training	11,257	64,947	(73,347)	(614)	2,243
Tours –					
Film Hub Midlands – Horror	–	32,860	(32,494)	(366)	–
BFI – The Camera is Ours	8,695	15,665	(21,205)	(2,655)	500
BFI – Britain on Film	939	–	(312)	–	627
Arts Council England – National Trails	23,522	29,990	(50,582)	–	2,930
National Lottery Cinema Weekend	310	87,628	(88,177)	239	–
Total restricted funds	312,474	1,605,438	(1,852,264)	19,454	85,102
Unrestricted funds:					
Designated funds:					
Fixed assets	176,364	–	(27,607)	112,617	261,374
Loan repayment	51,711	–	–	(51,711)	–
Sustainability fund	105,000	–	–	5,000	110,000
Miles Ketley filmmakers' bursary fund	15,000	–	(5,485)	–	9,515
Total designated funds	348,075	–	(33,092)	65,906	380,889
General funds	97,356	331,249	(175,863)	(85,360)	167,382
Total unrestricted funds	445,431	331,249	(208,955)	(19,454)	548,271
Total funds	757,905	1,936,687	(2,061,219)	–	633,373

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. Transfer of funds relates mainly to funds received from ICO funds as contribution towards programming services offset against funds transferred to the fixed assets fund and other BFI activities.

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 schemes and Young People Programme.

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 and 2022/23 we distributed funds through the Film Exhibition Fund. The transfer out relates mainly to the transfer of funds to the fixed assets fund following the purchase of computer equipment partly offset by the reversal of a bad debt provision.

Developing your own Film Festival ("DYFF") Online Resource

Through this course, ICO seeks to address the lack of training opportunities for those organising and managing film festivals, which offer many films their first point of access to audiences around the world.

ScreenSkills

Funding received to run an online course – Data Driven Film Exhibition.

Other training

Funding received primarily from the British Council for the Future of Film Festival which took place during the year. We also continued to run our International Film Festival Network which the ICO founded in December 2023. This is a membership-based community of film festivals with the purpose of fostering new partnerships between festivals, promoting best practice and strategic innovation in programming and reaching audiences, and encouraging the discovery and celebration of the art of film. The transfer out predominantly relates to VAT consultancy costs.

Film Hub Midlands – Horror

Alongside a major season at BFI Southbank from October 2022 to December 2022 ICO ran a nationwide tour as part of the BFI In Dreams are Monsters funded by Film Hub Midlands on behalf of BFI Film Audience Network supported by funds from the National Lottery.

The Camera is Ours

Organisational funding received from the BFI to put together a feature length film using film from Britain's women documentary makers.

Britain on Film

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

Arts Council England

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

National Lottery Cinema Day / Weekend

Funding received from Camelot to repay venues the ticket value of tickets given away on National Lottery Cinema Day in December 2022 for a screening of Love Actually and 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 in March 2022 and its subsequent impairment in last year's financial statements, £51,711 was repaid to Charity Bank in July 2022 to ensure that the Charity remained within its loan covenants.

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 2024 there were 13 (2023: 13) guarantees in place.

23 Contractual commitments

Contractual commitments for the acquisition of tangible fixed assets contracted but not provided in the financial statements amounted to £nil (2023:£2,508).