

THE PAIGNTON PICTURE HOUSE TRUST

England & Wales · Charity number 1157934

Details

Status	Registered
Legal form	Charitable company
Company number	08725788
Registered	2014-07-22
Register	View on the Charity Commission register

Contact

Address	Darnells Chartered Accountants Wessex House Teign Road Newton Abbot Devon TQ12 4AA
Phone	07771983441
Email	IRIS.BUTLER@TALK21.COM
Website	www.paigntonpicturehouse.org

Activities

Objects: THE OBJECTS OF THE CHARITY ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING: TO PRESERVE FOR THE BENEFIT OF THE PEOPLE OF PAIGNTON, DEVON AND OF THE NATION, THE HISTORICAL, ARCHITECTURAL AND CONSTRUCTIONAL HERITAGE THAT MAY EXIST IN AND AROUND THE PAIGNTON PICTURE HOUSE, TORBAY ROAD, PAIGNTON, DEVON IN BUILDINGS (INCLUDING ANY STRUCTURE OR ERECTION, AND ANY PART OF A BUILDING AS SO DEFINED) OF PARTICULAR BEAUTY OR HISTORICAL, ARCHITECTURAL OR CONSTRUCTIONAL INTEREST.

Activities: To preserve for the people of Paignton, Devon and the nation the historical, architectural and constructional heritage that may exist in and around the Paignton Picture House, Torbay Road, Paignton, Devon in buildings of particular beauty or historical, architectural or constructional interest.

Classification

- **How:** Provides Buildings/facilities/open Space, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** IN AND AROUND THE PAIGNTON PICTURE HOUSE, TORBAY ROAD, PAIGNTON, DEVON
- Devon
- Torbay

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,963,725	£118,014	£5,786,148	0
2023-12-31	£66,975	£52,956	-	-
2022-12-31	£2,579,088	£21,356	£3,926,018	0
2021-12-31	£1,584,066	£387,681	£1,368,286	0
2020-12-31	£59,686	£36,536	-	-

Trustees

Name	Role	Appointed
Candy Vincent-Smith		2025-12-16
Claire Horrocks		2024-07-15
Iris Butler		2020-11-25
Judith Hope Langraf		2021-05-20
Julian Carnell		2025-01-07

THE PAIGNTON PICTURE HOUSE TRUST

England & Wales - Charity number 1157934

Accounts

Charity registration number 01157934

Company registration number 08725788 (England and Wales)

**THE PAIGNTON PICTURE HOUSE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

THE PAIGNTON PICTURE HOUSE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms I Butler Ms J Langraf Ms C V Horrocks Mr J M Carnell	(Appointed 15 July 2024) (Appointed 7 January 2025)
Charity number	01157934	
Company number	08725788	
Principal address	Torbay Cinema (known as The Paignton Picture House) 2 Torbay Road Paignton Devon TQ4 6AF	
Registered office	Wessex House Teign Road Newton Abbot Devon TQ12 4AA	
Auditor	Darnells Audit Limited Quay House Quay Road Newton Abbot Devon TQ12 2BU	
Solicitors	Scott Richards Newfoundland House 4 Regent Street Teignmouth TQ14 8SL	

THE PAIGNTON PICTURE HOUSE TRUST

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THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (published in October 2019).

Objectives and activities

The objectives of the trust are specifically restricted to the following:

To preserve for the benefit of the people of Paignton, Devon and the Nation, the historical, architectural and constructional heritage that may exist in and around the Paignton Picture House, Torbay Road, Paignton, Devon in buildings (including any structure or erection, and any part of a building as so defined) of particular beauty or historical, architectural or constructional interest.

The aim of the trust is to restore the Paignton Picture House to preserve this heritage asset for future generations and to benefit the local community by reopening as a cinema and community arts centre. Paignton Picture House is a Grade II* listed building dating back to 1914. It is of great historical importance, being one of the most complete surviving examples of early cinema. It also has strong distinctive cultural links with the writer Agatha Christie, who visited regularly whilst she stayed at nearby Greenway House.

Prior to being acquired by the trust, the cinema had been boarded up since it closed in 1999. It was physically deteriorating and at risk of complete loss; such was its vulnerability that it had been placed on Historic England's Heritage at Risk Register long before the trust purchased the building.

The trust relies on grants, donations and income from private tours to cover its operating costs, and to fund the restoration and redevelopment of the Paignton Picture House. Currently the cinema is closed to the general public. The trustees are working with the architects and consultants to develop a robust plan to restore and redevelop this historic building into a functioning cinema and community arts venue.

Achievements and performance

Significant activities and achievements against objectives

Work on Phase I of the project (funded by the Future High Street Fund grant from Torbay Council) has been largely completed in 2024. Concrete repairs have been carried out to load-bearing beams all over the building, but particularly in the basement and the main front of the building. Dry rot treatment has also been carried out in the main auditorium, due to damp getting in from under the floor.

The additional funding obtained from Torbay Council, along with their commitment to underwrite the predicted overall project shortfall up to £1.6 million enabled work to start on Phase II of the project in early January 2025.

How the activities of the trust deliver public benefit:

The trustees confirm that they have paid due regard to the Charity Commission's general guidance on public benefit under the Charities Act 2011. In particular, they consider how planned activities will contribute to the aims and objectives of the trust and are satisfied that all activities continue to be related to its purpose as set out in the governing document.

The trust exists to restore and preserve the important and unique heritage within the Paignton Picture House and to deliver benefit to the local community through film, arts and cultural activities as well as wider activities such as volunteering, education and training opportunities and provision of community spaces.

Paignton is in the top 10% of deprived areas in the UK's Index of Multiple Deprivation and Torbay is the most deprived upper-tier Southwest local authority. It is a "Priority Place" in the Government's Levelling Up programme. This project is a pivotal element in the local strategic plan to revive and regenerate the area. The trustees fully appreciate the key role that the Paignton Picture House can play in delivering wide ranging public benefit and this is central in the trust's capital, operational and artist strategic planning. The trust aims to celebrate the building's rich heritage, reimagining it not just as a cinema but as a cultural hub that contributes to positive social change.

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

During the year Torbay Council agreed to additional funding for the project totalling £1.5 million from the Future High Streets fund. They also agreed to underwrite the overall project shortfall up to £1.6 million. Other grants awarded in the year totalled £441,007 (2023: £Nil).

Included in expenditure on raising funds of £70,151 (2023: £37,348) is £40,618 (2023: £30,898) paid to fundraising consultants.

The trust's expenditure included building and restoration/conservation costs, professional and consultancy fees and other costs totalling £898,558 (2023: £445,612) which have been capitalised as additions to freehold property (see note 9 to the financial statements).

Expenditure on charitable activities amounted to £47,863, compared with net income from charitable activities of £47,802 for 2023 (arising from late VAT claims which were credited to expenses in 2023). In 2024 the trust leased a ground floor office opposite the cinema to provide office space and a meeting place to showcase the work done so far as well as the plans for the finished project.

Going concern

The trust's net income for the year amounted to £1,845,711 (2023: £14,419). The total funds available at 31 December 2024 are £5,786,148 (2023: £3,940,437), comprising Unrestricted funds of £505,149 (2023: £127,157) and Restricted funds of £5,280,999 (2023: £3,813,280) representing the unspent balances of grants awarded.

Cash at bank and in hand at 31 December was £263,210 (2023: £389,174).

The trustees regard the financial position of the charity as satisfactory.

Reserves policy

It is the policy of the trust that unrestricted, free reserves which have not been designated for a specific use should be maintained at a level equivalent to at least six months' unrestricted expenditure (currently in the region of £18,000). The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised.

At 31 December 2024 the trust had a surplus on free reserves of £3,984,932 (2023: £3,037,779) of which £3,593,881 (2023: £3,024,720) are restricted funds. This represents the accumulation of funds to cover planned expenditure on the restoration project and a small proportion for the early cultural programme.

The remaining £391,051 (2023: £13,059) balance of unrestricted funds is above the level of the free reserves policy, however the trustees intend to use £250,000 of this to support the capital project.

Principal funding sources

The principal sources of funding are government grants administered by Torbay Council.

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The building has been subjected to years of dilapidation and was in a very poor condition. The principal risk is that unforeseen problems and rising costs mean that the final cost of works exceed the quotes and the contingency reserves. The trustees are managing these risks by employing specialist consultants to manage the project and carry out surveys to identify any issues in advance of the work being carried out, and hire contractors with experience of restoring listed, heritage property.

The trust's main operational risk concerns obtaining sufficient funding to meet the forecast shortfall for the full capital project, within the timescales required by the spend deadlines for the Government grants secured. The trustees secured additional funding of £1.5 million to cover increased costs arising from increases in tenders from contractors since the original grant bids were submitted, along with a commitment from Torbay Council to underwrite the project shortfall up to £1.6 million. They have also engaged a specialist consultant to develop a diverse fundraising plan to reduce the forecast shortfall, currently estimated to be in the region of £1.3 million, mainly from grants from trusts/foundations alongside public fundraising.

Plans for future periods

Phase II of the work (funded by the Arts Council in partnership with Torbay Council) will involve:

- putting sound insulation on the walls of the auditorium (they are only 1 skin of brick thick);
- raising the floor of the cinema – the cinema is built on reclaimed salt marsh, and at very high tide there is a risk of water seeping under the floor;
- moving the back wall of the cinema forward to create a large space for the community hub & café on the ground floor;
- building a frame for the new screen in front of the original screen to preserve the latter;
- moving internal walls to create larger rooms for meeting rooms on the first & second floors;
- building a new staircase to the 2nd floor will be built on the station side of the building to increase space for the meeting rooms on that floor.

The projection room will be retained, but the cinema will use a digital projector on the back wall of the cinema. A 1950's projector will be put in the projection room, but will not be functional as the quality of original 35mm film is not good enough for the films to be shown to the public.

Work started on Phase II in January 2025, with the cinema & community café/hub scheduled to open in 2026.

Structure, governance and management

The Paignton Picture House Trust was incorporated on 9 October 2013 and set up by an Order of the Charity Commissioners on 22 July 2014. The trust is a company limited by guarantee and a registered charity with the number 01157934 (England and Wales).

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr P N Hawthorne	(Resigned 26 February 2025)
Ms I Butler	
Mr J S Brandon	(Resigned 30 January 2025)
Ms J Langraf	
Mr S P Caunter	(Resigned 5 January 2024)
Ms C V Horrocks	(Appointed 15 July 2024)
Mr C I Wills	(Deceased 2 May 2024)
Mr J M Carnell	(Appointed 7 January 2025)

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Recruitment and appointment of trustees

The Board of Trustees currently has four members. The board has been discussing the possibility of recruiting new trustees for their experience, skills and knowledge. New trustees may be sought by open advertisement or through dialogues with other institutions with similar objects.

Related parties

All trustees give their time voluntarily and receive no benefits from the trust (except as disclosed in note 17 to the financial statements). Any expenses reclaimed by the trustees from the trust are set out in the notes to the accounts.

None of the trustees has any beneficial interest in the trust. One of the trustees is a member of the trust (which is incorporated as a charitable company) and guarantees to contribute £10 in the event of a winding up.

During the year the trust employed the spouse of one of the trustees as a project manager to oversee the renovation work. The spouse is a qualified professional, and the fees charged are at a market rate. The trustees manage this process as part of their Conflicts of Interest records and policy.

Statement of trustees' responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust 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 trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Darnells Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Disclosure of information to auditor

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

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

Ms I Butler
Trustee

10 July 2025

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

Opinion

We have audited the financial statements of The Paignton Picture House Trust (the 'trust') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 December 2024 and of its 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 trust 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 trust'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 auditor's 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose 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 trust'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.

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 risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentation or through collusion.

However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the charitable company and management.

The laws and regulations identified as being of significance in the context of the charitable company are:

- Planning permission and listed building consent;
- Health & Safety legislation and regulations;
- Compliance with the Charity Act 2011 and the Companies Act 2006.

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Reviewing compliance with planning regulations and listed building consent.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Sean Murphy BA FCA (Senior Statutory Auditor)
for and on behalf of Darnells Audit Limited
Statutory Auditor

17 July 2025

Quay House
Newton Abbot
Devon
TQ12 2BU

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income from:							
Donations and legacies	2	283,199	1,666,007	1,949,206	321	-	321
Investments		14,519	-	14,519	3,644	-	3,644
Total income		297,718	1,666,007	1,963,725	3,965	-	3,965
Expenditure on:							
Raising funds	3	9,442	60,709	70,151	6,450	30,898	37,348
Charitable activities	4	27,763	20,100	47,863	14,626	(62,428)	(47,802)
Total expenditure		37,205	80,809	118,014	21,076	(31,530)	(10,454)
Net income		260,513	1,585,198	1,845,711	(17,111)	31,530	14,419
Transfers between funds		117,479	(117,479)	-	-	-	-
Net movement in funds		377,992	1,467,719	1,845,711	(17,111)	31,530	14,419
Reconciliation of funds:							
Fund balances at 1 January 2024		127,157	3,813,280	3,940,437	144,268	3,781,750	3,926,018
Fund balances at 31 December 2024		505,149	5,280,999	5,786,148	127,157	3,813,280	3,940,437

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PAIGNTON PICTURE HOUSE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	9		1,801,216		902,658
Current assets					
Debtors falling due after one year	11	1,276,585		1,211,335	
Debtors falling due within one year	11	2,534,219		1,666,678	
Cash at bank and in hand		263,210		389,174	
		<u>4,074,014</u>		<u>3,267,187</u>	
Creditors: amounts falling due within one year	12	<u>(89,082)</u>		<u>(229,408)</u>	
Net current assets			3,984,932		3,037,779
Net assets			<u>5,786,148</u>		<u>3,940,437</u>
Income funds					
Restricted funds	13	5,280,999		3,813,280	
Unrestricted funds		505,149		127,157	
		<u>5,786,148</u>		<u>3,940,437</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 10 July 2025

Ms I Butler
Trustee

Ms J Langraf
Trustee

Company registration number 08725788

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	19		758,075		276,066
Investing activities					
Purchase of tangible fixed assets		(898,558)		(445,612)	
Interest received		14,519		3,644	
Net cash used in investing activities			(884,039)		(441,968)
Net decrease in cash and cash equivalents			(125,964)		(165,902)
Cash and cash equivalents at beginning of year			389,174		555,076
Cash and cash equivalents at end of year			263,210		389,174

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

The Paignton Picture House Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Wessex House, Teign Road, Newton Abbot, Devon, TQ12 4AA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (published in October 2019). The trust is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the trust 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 from trading activities represents the value of tickets sold for tours to the extent that there is a right to consideration and is recorded at the fair value of the consideration received.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Resources expended

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

Expenditure on charitable activities includes the costs of renovating the cinema, and other activities undertaken to further the objectives of the trust and their associated support costs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
--------------------	-----

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

No depreciation is provided in respect of freehold buildings because the restoration of the Paignton Picture House is still ongoing, and it has not yet been developed into a functioning cinema.

1.7 Financial instruments

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

2 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	8,199	-	8,199	321	-	321
Grants	275,000	1,666,007	1,941,007	-	-	-
	<u>283,199</u>	<u>1,666,007</u>	<u>1,949,206</u>	<u>321</u>	<u>-</u>	<u>321</u>
Grants						
DLUHC Future High Street Fund	-	1,500,000	1,500,000	-	-	-
Garfield Weston Foundation	250,000	-	250,000	-	-	-
Colwinston Charitable Trust	-	150,000	150,000	-	-	-
The Pilgrim Trust	-	30,000	30,000	-	-	-
The Swire Charitable Trust	25,000	-	25,000	-	-	-
National Lottery - Reaching Communities Fund	-	19,992	19,992	-	-	-
The Sylvia Waddilove Foundation	-	3,000	3,000	-	-	-
Other	-	(36,985)	(36,985)	-	-	-
	<u>275,000</u>	<u>1,666,007</u>	<u>1,941,007</u>	<u>-</u>	<u>-</u>	<u>-</u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

2 Income from donations and legacies

(Continued)

The movement in Other grants of £36,985 above represents funding withdrawn by grant providers, previously recognised as income, as a result of delays in completing work on the project causing deadlines for drawing down the grants to be missed.

3 Raising funds

	Unrestricted funds	Restricted funds	Total	Total
	2024 £	2024 £	2024 £	2023 £
Fundraising and publicity				
Fundraising agents	-	40,618	40,618	30,898
Advertising	9,442	20,091	29,533	6,450
	<u>9,442</u>	<u>60,709</u>	<u>70,151</u>	<u>37,348</u>
Fundraising and publicity	9,442	60,709	70,151	37,348
	<u>9,442</u>	<u>60,709</u>	<u>70,151</u>	<u>37,348</u>
For the year ended 31 December 2023				
Fundraising and publicity	6,450	30,898		37,348
	<u>6,450</u>	<u>30,898</u>		<u>37,348</u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 Expenditure on charitable activities

	Preservation of Paignton Picture House 2024 £	Preservation of Paignton Picture House 2023 £
Direct costs		
Repairs and renovation costs	4,959	(62,440)
Insurance	12,202	8,044
Light and heat	4,395	220
Rates	1,557	1,256
Computer costs	301	782
Telephone and internet	119	-
Rent	5,888	-
Legal and professional fees	35	846
Sundry expenses	66	392
	<u>29,522</u>	<u>(50,900)</u>
Share of support and governance costs (see note 5)		
Support	740	208
Governance	17,601	2,890
	<u>47,863</u>	<u>(47,802)</u>
Analysis by fund		
Unrestricted funds	27,763	14,626
Restricted funds	20,100	(62,428)
	<u>47,863</u>	<u>(47,802)</u>

Repairs and renovation costs for 2023 above are stated after deducting retrospective input VAT reclaimed for earlier periods - see note 13 to the financial statements.

Governance costs represent audit and accountancy fees - see note 5 to the financial statements.

5 Support costs allocated to activities

	2024 £	2023 £
Bank charges	740	208
Governance costs	17,601	2,890
	<u>18,341</u>	<u>3,098</u>
Analysed between:		
Preservation of Paignton Picture House	<u>18,341</u>	<u>3,098</u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 Support costs allocated to activities (Continued)

	2024 £	2023 £
Governance costs comprise:		
Audit fees	6,975	2,890
Accountancy	10,626	-
	<u>17,601</u>	<u>2,890</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year except as disclosed under Related party transactions - see note 17 to the financial statements.

During the year trustees' expenses of £904 (2023: £nil) were reimbursed to a spouse of one of the trustees.

7 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

8 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

9 Tangible fixed assets

	Land and buildings £
Cost	
At 1 January 2024 and 31 December 2024	902,658
Additions	898,558
	<u>1,801,216</u>
Carrying amount	
At 31 December 2023 and 31 December 2024	<u>1,801,216</u>

Freehold land and buildings with a carrying amount of £1,801,216 (2023: £902,658) have been pledged to secure a guarantee given by Torbay Council to underwrite the restoration project shortfall up to a maximum of £1.6 million. The trust is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

9 Tangible fixed assets (Continued)

The carrying value of the land and buildings above represents the acquisition cost of the property, and the costs of the ongoing refurbishment and restoration work.

In the opinion of the trustees, the fair value of the land and buildings is at least equal to their carrying value above.

10 Financial instruments

	2024 £	2023 £
Carrying amount of financial assets		
Measured at undiscounted amount receivable:		
Accrued grant income	3,776,836	2,677,178
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at undiscounted amount payable:		
Trade and other creditors	(83,332)	(224,908)
	<u> </u>	<u> </u>

11 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	34,634	200,835
Prepayments and accrued income	2,499,585	1,465,843
	<u> </u>	<u> </u>
	2,534,219	1,666,678
	<u> </u>	<u> </u>
	2024	2023
	£	£
Amounts falling due after more than one year:		
Prepayments and accrued income	1,276,585	1,211,335
	<u> </u>	<u> </u>
Total debtors	3,810,804	2,878,013
	<u> </u>	<u> </u>

Prepayments and accrued income above represent accrued grant income awarded but not yet drawn down.

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	83,332	224,908
Accruals and deferred income	5,750	4,500
	<u> </u>	<u> </u>
	89,082	229,408
	<u> </u>	<u> </u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

13 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended (see note below)	Transfers	At 31 December 2024
	£	£	£	£	£
Architectural Heritage project development grants	62,174	(11,485)	-	(50,689)	-
Architectural Heritage transformational project grant grants	22,489	-	-	(22,489)	-
Historic England repair grant	40,301	-	-	(40,301)	-
Torbay Council - Future High Street grant	1,255,646	1,500,000	(67,910)	-	2,687,736
School for Social Entrepreneurs	10,000	(6,000)	-	(4,000)	-
Arts Council England - Cultural Development Fund grant	2,422,670	(19,500)	-	-	2,403,170
The Colwinston Charitable Trust	-	150,000	-	-	150,000
Reaching Communities - National Lottery	-	19,992	(12,899)	-	7,093
The Pilgrim Trust	-	30,000	-	-	30,000
The Sylvia Waddilove Foundation	-	3,000	-	-	3,000
	<u>3,813,280</u>	<u>1,666,007</u>	<u>(80,809)</u>	<u>(117,479)</u>	<u>5,280,999</u>

Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
Architectural Heritage project development grants	55,766	-	6,408	-	62,174
Architectural Heritage transformational project grant grants	-	-	22,489	-	22,489
Historic England repair grant	10,705	-	29,596	-	40,301
Torbay Council - Future High Street grant	1,282,609	-	(26,963)	-	1,255,646
School for Social Entrepreneurs	10,000	-	-	-	10,000
Arts Council England - Cultural Development Fund grant	2,422,670	-	-	-	2,422,670
	<u>3,781,750</u>	<u>-</u>	<u>(31,530)</u>	<u>-</u>	<u>3,813,280</u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

13 Restricted funds

(Continued)

The restricted funds held are:

- The Architectural Heritage Fund grants - for capital project development costs and transformational capital projects;
- Historic England repair grant - for heritage at risk;
- Torbay Council - Future High Street grant - for Phase I and Phase II of the restoration project;
- School for Social Entrepreneurs grant - match funding for the Future High Street grant;
- Arts Council England: Cultural Development Fund grant - funding for Phase II of the restoration project, to bring the building back into full use as a cinema, cultural and community hub;
- The Colwinston Charitable Trust - for the restoration of the cinema only;
- National Lottery Reaching Communities fund - for the running costs of an office located near to the cinema whilst the building work is ongoing;
- The Pilgrim Trust - for repairs and restoration of the cornices;
- The Sylvia Waddilove Foundation - for the preservation of buildings of architectural or historical significance.

The undrawn balances on restricted funds have been reduced as follows:

- The School for Social Entrepreneurs restricted fund has been reduced by £6,000 as the project was not completed in time to qualify for the full amount of the grant;
- The grant from the Arts Council England - Cultural Development Fund has been reduced by £19,500 to agree to the actual amount available to the trust.

The fund transfers totalling £117,479 in 2024 represent expenditure wrongly allocated to Unrestricted funds in previous years, which should correctly have been allocated to Restricted funds - see note 14 to the financial statements. The trustees have confirmed with the grant providers involved that the grants have in fact been fully spent.

14 Unrestricted funds

The unrestricted funds of the trust comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
General funds	127,157	297,718	(37,205)	117,479	505,149
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
General funds	144,268	3,965	(21,076)	-	127,157
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The fund transfers totalling £117,479 in 2024 represent expenditure wrongly allocated to Unrestricted funds in previous years, which should correctly have been allocated to Restricted funds - see note 13 to the financial statements.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	114,098	1,687,118	1,801,216
Current assets/(liabilities)	391,051	3,593,881	3,984,932
	<u>505,149</u>	<u>5,280,999</u>	<u>5,786,148</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	114,098	788,560	902,658
Current assets/(liabilities)	13,059	3,024,720	3,037,779
	<u>127,157</u>	<u>3,813,280</u>	<u>3,940,437</u>

16 Operating lease commitments

Lessee

At the reporting end date the trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	12,000	-
Between two and five years	18,000	-
	<u>30,000</u>	<u>-</u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

17 Related party transactions

Transactions with related parties

During the year the trust entered into the following transactions with related parties:

	Purchase of services	
	2024	2023
	£	£
Trustees & close family	45,195	41,475
	<u>45,195</u>	<u>41,475</u>

The related party transactions above represent payments to the spouse of a trustee, who was engaged as the project coordinator on normal commercial terms.

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		Amounts owed by related parties	
	2024		2023	
	Balance	Net	Balance	Net
	£	£	£	£
Trustees & close family	666	666	-	-
	<u>666</u>	<u>666</u>	<u>-</u>	<u>-</u>

The above represents an invoice for a personal expense of a trustee inadvertently paid by the trust. The trustee repaid the balance immediately following the discovery of the error.

18 Analysis of changes in net funds

The trust had no material debt during the year.

19 Cash generated from operations	2024	2023
	£	£
Surplus for the year	1,845,711	14,419
Adjustments for:		
Investment income recognised in statement of financial activities	(14,519)	(3,644)
Movements in working capital:		
(Increase)/decrease in debtors	(932,791)	82,095
(Decrease)/increase in creditors	(140,326)	183,196
Cash generated from operations	<u>758,075</u>	<u>276,066</u>

THE PAIGNTON PICTURE HOUSE TRUST

England & Wales - Charity number 1157934

Accounts

Charity registration number 01157934

Company registration number 08725788 (England and Wales)

**THE PAIGNTON PICTURE HOUSE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

THE PAIGNTON PICTURE HOUSE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P N Hawthorne Ms I Butler Mr J S Brandon Ms J Langraf Ms C V Horrocks (Appointed 15 July 2024)
Charity number	01157934
Company number	08725788
Principal address	Torbay Cinema (known as The Paignton Picture House) 2 Torbay Road Paignton Devon TQ4 6AF
Registered office	Wessex House Teign Road Newton Abbot Devon TQ12 4AA
Auditor	Darnells Audit Limited Quay House Quay Road Newton Abbot Devon TQ12 2BU
Solicitors	Scott Richards Newfoundland House 4 Regent Street Teignmouth TQ14 8SL

THE PAIGNTON PICTURE HOUSE TRUST

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THE PAIGNTON PICTURE HOUSE TRUST

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Grade II* listed Paignton Picture House opened in 1914 and is one of the oldest purpose-built cinemas in the UK. It is one of the only surviving cinemas from this period to retain many of its features, almost unaltered from its original design. The auditorium has a barrel-vaulted roof and an elegant, curved balcony with three private boxes used by the rich and famous of the time. Its rarity lies in the scale, grandeur and ambition of its intact architecture; a showpiece Edwardian building with a unique fusion of Art Nouveau and Baroque styles.

The doors closed in 1999 and hide a nationally significant piece of architectural and cultural heritage which is at risk of complete loss due to severe dilapidation. It has been on Historic England's *Heritage at Risk Register* for over two decades.

Since our charity was formed in 2013, Paignton Picture House Trust has successfully raised funds to purchase the building, delivered emergency conservation work to protect it from irrecoverable damage and completed conservation work to the facade of the front of the building, including the original 2-storey stained glass window.

The trustees have engaged a specialist firm of architects who bring extensive experience with complex, high status cultural and heritage buildings. Their expertise is enabling us to work towards the sympathetic restoration the heritage within, as well as creating a functioning cinema and community cultural hub with the technological, acoustic and services infrastructure modernised.

Our plans incorporate accessibility at every level of design; wheelchair spaces in the auditorium/balcony and (we believe) the only wheelchair accessible stage in the South West, as well as carefully designed lighting, acoustics and furnishing. A lift extension and new sandstone ramped terrace will make Paignton Picture House fully accessible. Our design will be an exemplar of how to retrofit environmental solutions in a Grade II* building. It will achieve a high level of thermal performance/energy efficiency, reduce the need for energy, supply energy from renewable sources, reuse and use low carbon materials where possible.

We also plan to redevelop several spaces throughout the building to create a sustainable, inclusive and vibrant community asset which delivers tangible social impact in an area of deprivation (listed in the top 10% of Indices of Multiple Deprivation). This includes an arts, learning and community space on the top floor, which has never been publicly accessible, as well as an altered layout to the front of house on the ground floor to create a community hub and cafe.

During the year 2023, we started an extensive enabling package of works (completed after year end in March 2024) in readiness for the final and main phase of restoration work which is (at the time of writing) scheduled to start in Autumn 2024.

This work was made possible after we successfully secured £1.2m DLUHC Future High Street funds, administered by Torbay Council. Paignton Picture House is one of the priorities in the Torbay Heritage Strategy and an anchor project for Torbay Council. During this year, we were also successful in securing a further £600k uplift in Future High Street funding. The first phases of works involved stripping off of damp and decayed lime plaster, removing extensive asbestos. The seats have also been removed and sent off to a company specialising in the restoration of seating for, amongst other venues, cinema auditoriums.

The final phase of restoration is forecast to be in the region of £7 million, with funding of over £5 million obtained by year end. Nearly half of this funding (£2,403,170) has been pledged by DCMS/Arts Council England (ACE) through the Cultural Development Fund. The funding agreement for this is between ACE and Torbay Council, with a Tripartite Agreement between ACE, the Council and Paignton Picture House Trust. Funds will be released to the Council in instalments, and Paignton Picture House Trust will then make claims to the Council.

During the latter part of 2023, the project faced increased building costs due to inflation and supply chain issues in the building sector and this is being carefully managed by the Project Director and Design Team. The charity continued actively fundraising in order to secure sufficient funds to complete the project and this includes a large number of grants applications to trusts and foundations, as well as planning towards a public fundraising appeal to be launched in 2024 to harness the incredible community passion behind this project.

THE PAIGNTON PICTURE HOUSE TRUST

CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Our ambition for this project never wavers. It is undeniably a highly complex project and has presented unforeseen challenges along the journey, but we have made massive strides towards our goal. With substantive funding in place towards this final phase, we know that we still have a significant amount of work to do to raise the final funds needed to complete the project so that we can reopen the doors once again.

We will reimagine Paignton Picture House, not just as a cinema but as a cultural hub for our community, using the transformational power of film, arts and cultural activities to enhance well-being, empower communities, foster inclusivity and stimulate local economies. Our programme of in-house and outreach film, arts/culture and learning will promote inclusivity, breakdown barriers to equality, challenge beliefs, inspire and educate. Alongside mainstream films, we will deliver a socially relevant, broad film, arts, culture and learning programme that is co-designed with the community, artists and vast number of diverse collaborative partners.

The trustees hope to be able to open Paignton Picture House in early 2026, subject to obtaining sufficient funding to complete the project.

Mr P N Hawthorne
Chairman

24 October 2024

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (published in October 2019).

Objectives and activities

The objectives of the trust are specifically restricted to the following:

To preserve for the benefit of the people of Paignton, Devon and the Nation, the historical, architectural and constructional heritage that may exist in and around the Paignton Picture House, Torbay Road, Paignton, Devon in buildings (including any structure or erection, and any part of a building as so defined) of particular beauty or historical, architectural or constructional interest.

The aim of the charity is to restore the Paignton Picture House to preserve this heritage asset for future generations and to benefit the local community by reopening as a cinema and community arts centre. Paignton Picture House is a Grade II* listed building dating back to 1914. It is of great historical importance, being one of the most complete surviving examples of early cinema. It also has strong distinctive cultural links with the writer Agatha Christie, who visited regularly whilst she stayed at nearby Greenway House.

Prior to being acquired by the trust, the cinema had been boarded up since it closed in 1999. It was physically deteriorating and at risk of complete loss; such was its vulnerability that it had been placed on Historic England's Heritage At Risk Register long before the trust purchased the building.

Public benefit

The trust relies on grants, donations and income from private tours to cover its operating costs, and to fund the restoration and redevelopment of the Paignton Picture House. Currently the cinema is closed to the general public. The trustees are working with the architects and consultants to develop a robust plan to restore and redevelop this historic building into a functioning cinema and community arts venue.

Achievements and performance

Significant activities and achievements against objectives

The front of the cinema has been restored and the stonework cleaned, with the canopy removed as it was pulling the front of the building away from the main structure. The front circular window has been restored, and the Art Deco stained-glass window has been renovated and put back. The original windows for the upper 2 storeys (with original iron filigree fittings) have been refurbished and put back.

With Planning Permission and Listed Building Consent granted during the year, work on Phase I of the project (funded by the Future High Street Fund grant from Torbay Council) has been largely completed. The asbestos on the walls of the main auditorium has been removed, together with the lath & plaster which had trapped moisture over the year leading to damp problems from water ingress. The seats have been removed and sent to a firm specialising in restoring and re-upholstering cinema seats.

How the activities of the trust deliver public benefit:

The trustees confirm that they have paid due regard to the Charity Commission's general guidance on public benefit under the Charities Act 2011. In particular, they consider how planned activities will contribute to the aims and objectives of the trust and are satisfied that all activities continue to be related to its purpose as set out in the governing document.

The trust exists to restore and preserve the important and unique heritage within the Paignton Picture House and to deliver benefit to the local community through film, arts and cultural activities as well as wider activities such as volunteering, education and training opportunities and provision of community spaces.

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Paignton is in the top 10% of deprived areas in the UK's Index of Multiple Deprivation and Torbay is the most deprived upper-tier South West local authority. It is a "Priority Place" in the Government's Levelling Up programme. This project is a pivotal element in the local strategic plan to revive and regenerate the area. The trustees fully appreciate the key role that the Paignton Picture House can play in delivering wide ranging public benefit and this is central in the trust's capital, operational and artist strategic planning. The trust aims to celebrate the building's rich heritage, reimagining it not just as a cinema but as a cultural hub that contributes to positive social change.

Financial review

During the year the trustees hired a fundraising consultant at a cost of £30,898 (2022: £Nil) with a view to raising additional funds to cover the expected shortfall in financing the project. In addition, with the help of a VAT consultant, the trust has registered for VAT and has reclaimed input VAT of £200,835 suffered on project costs incurred up to 31 December 2023.

The trust's expenditure included building and restoration/conservation costs, professional and consultancy fees and other costs of £445,612 which have been capitalised as additions to the freehold property (see note 10 to the financial statements).

Other income from charitable activities amounted to £47,802 comprising VAT reclaimed on expenses of £73,747 less expenditure in the year of £25,945 (2022: expenditure of £21,356).

Going concern

The Net income for the year amounted to £14,419 (2022: £2,557,732). The total funds available at 31 December 2023 are £3,940,437 (2022: £3,926,018), comprising Unrestricted funds of £127,157 (2022: £144,268) and Restricted funds of £3,813,280 (2022: £3,781,750) which represent grants awarded but not yet drawn down.

Cash at bank and in hand at 31 December was £389,174 (2022: £555,076).

Reserves policy

Reserves policy

It is the policy of the trust that unrestricted, free reserves which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure (currently between £6,500 and £13,000). The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised.

At 31 December 2023 the trust had a surplus on free reserves of £3,037,779 (2022: £3,468,792) of which £3,024,720 (2022: £3,393,329) are restricted funds. This represents the accumulation of funds to cover planned expenditure on the restoration project and a small proportion for the early cultural programme.

The remaining £13,059 (2022: £75,643) balance of unrestricted funds is only just above the free reserves policy and, as part of the overall strategy, the trustees have hired a fundraising consultant (see the Financial review above) to increase reserves ahead of the major restoration work which is yet to be undertaken.

Principal funding sources

Principal funding sources

The principal sources of funding are government grants administered by Torbay Council. The terms of these grants require the trust to seek match funding from income sources such as further grants from charitable trusts/foundations and public fundraising.

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Major risks

Principal risks and uncertainties

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The principal risk remains that the building is at risk of complete loss without major restoration work. The building has been subjected to years of dilapidation and is in a very poor condition. Invasive surveys brought to light several significant structural vulnerabilities. There are three parts which are structurally fragile which, if not resolved, could lead to the complete loss of use of the building due to their dangerous nature: the auditorium floor cannot safely take the load of an audience and the auditorium roof and lime plasterwork are failing.

The trust's main operational risk concerns obtaining sufficient funding to meet the forecast shortfall for the full capital project, within the timescales required by the spend deadlines for the Government grants secured. The trustees have engaged a specialist to develop a diverse fundraising plan to secure the current shortfall, estimated to be in the region of £1.5 million, mainly from grants from trusts/foundations alongside public fundraising. The trustees are also looking for additional funding to cover increased costs arising from increases in tenders from contractors since the original grant bids were submitted.

Plans for future periods

Phase II of the work (funded by the Arts Council in partnership with Torbay Council) will involve:

- putting sound insulation on the walls of the auditorium (they are only 1 skin of brick thick);
- raising the floor of the cinema – the cinema is built on reclaimed salt marsh, and at very high tide there is a risk of water seeping under the floor;
- moving the back wall of the cinema forward to create a large space for the community hub & café on the ground floor;
- building a frame for the new screen in front of the original screen to preserve the latter;
- moving internal walls to create larger rooms for meeting rooms on the first & second floors;
- building a new staircase to the 2nd floor will be built on the station side of the building to increase space for the meeting rooms on that floor.

The projection room will be retained, but the cinema will use a digital projector on the back wall of the cinema. A 1950's projector will be put in the projection room, but will not be functional as the quality of original 35mm film is not good enough for the films to be shown to the public.

The trustees are in discussion with Torbay Council with a view to starting on work on Phase II in Spring 2025. The plan is now for the cinema & community café/hub to opened in early 2026.

Structure, governance and management

The Paignton Picture House Trust was incorporated on 9 October 2013 and set up by an Order of the Charity Commissioners on 22 July 2014. The trust is a company limited by guarantee and a registered charity with the number 01157934 (England and Wales).

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr P N Hawthorne

Mr C I Wills

(Deceased 2 May 2024)

Mr A F Bueno

(Resigned 27 April 2023)

Ms I Butler

Mr J S Brandon

Ms J Langraf

Mr S P Caunter

(Resigned 5 January 2024)

Ms C V Horrocks

(Appointed 15 July 2024)

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Recruitment and appointment of trustees

Recruitment and appointment of trustees

The trust has 6 trustees constituting its Board of Trustees. The board has been discussing the possibility of recruiting new trustees for their experience, skills and knowledge. New trustees may be sought by open advertisement or through dialogues with other institutions with similar objects.

Related parties

All trustees give their time voluntarily and receive no benefits from the trust. Any expenses reclaimed by the trustees from the trust are set out in the notes to the accounts.

None of the trustees has any beneficial interest in the trust. Two trustees are members of the trust (which is incorporated as a charitable company) and guarantee to contribute £10 in the event of a winding up.

The trust employs the spouse of one of the trustees as a project manager to oversee the renovation work. The spouse is a qualified professional and the fees charged are at a market rate. The trustees manage this process as part of their Conflicts of Interest records and policy.

Statement of trustees' responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust 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 trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Darnells Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Disclosure of information to auditor

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

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

Mr P N Hawthorne
Trustee

24 October 2024

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

Opinion

We have audited the financial statements of The Paignton Picture House Trust (the 'trust') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 December 2023 and of its 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 trust 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the trustees have identified a potential shortfall in funding for the renovation of the building' although they have a planned approach to raise the remaining funds required. As stated in note 1.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included reviewing the project forecast and the funding received up to 31 December 2023 and discussing with the trustees their plans to address this shortfall. We are satisfied that, on the basis of the trustees' plans, it is reasonable to assume that sufficient funding will be received to complete the project.

Our responsibilities and the responsibilities of the directors 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 auditor's 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 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.

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose 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 trust'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.

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 risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentation or through collusion.

However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the charitable company and management.

The laws and regulations identified as being of significance in the context of the charitable company are:

- Planning permission and listed building consent;
- Health & Safety legislation and regulations;
- Compliance with the Charity Act 2011 and the Companies Act 2006.

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Reviewing compliance with planning regulations and listed building consent.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sean Murphy (Senior Statutory Auditor)
for and on behalf of Darnells Audit Limited
Statutory Auditor

29 October 2024

Quay House
Newton Abbot
Devon
TQ12 2BU

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	2	321	-	321	123,601	2,455,410	2,579,011
Investments		3,644	-	3,644	77	-	77
Total income		3,965	-	3,965	123,678	2,455,410	2,579,088
Expenditure on:							
Raising funds	3	6,450	30,898	37,348	-	-	-
Charitable activities	4	14,626	(62,428)	(47,802)	21,178	178	21,356
Total resources expended		21,076	(31,530)	(10,454)	21,178	178	21,356
Gross transfers between funds		-	-	-	5,000	(5,000)	-
Net (expenditure)/ income for the year/ Net movement in funds		(17,111)	31,530	14,419	107,500	2,450,232	2,557,732
Fund balances at 1 January 2023		144,268	3,781,750	3,926,018	36,768	1,331,518	1,368,286
Fund balances at 31 December 2023		127,157	3,813,280	3,940,437	144,268	3,781,750	3,926,018

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PAIGNTON PICTURE HOUSE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		902,658		457,046
Current assets					
Debtors falling due after one year	12	1,211,335		2,514,473	
Debtors falling due within one year	12	1,666,678		445,635	
Cash at bank and in hand		389,174		555,076	
		<u>3,267,187</u>		<u>3,515,184</u>	
Creditors: amounts falling due within one year	13	<u>(229,408)</u>		<u>(46,212)</u>	
Net current assets			3,037,779		3,468,972
Net assets			<u>3,940,437</u>		<u>3,926,018</u>
Income funds					
Restricted funds	14	3,813,280		3,781,750	
Unrestricted funds		127,157		144,268	
		<u>3,940,437</u>		<u>3,926,018</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 24 October 2024

Mr P N Hawthorne
Trustee

Mr C I Wills
Trustee

Company registration number 08725788

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	19		276,066		949,378
Investing activities					
Purchase of tangible fixed assets		(445,612)		(407,046)	
Interest received		3,644		77	
Net cash used in investing activities			(441,968)		(406,969)
Net (decrease)/increase in cash and cash equivalents			(165,902)		542,409
Cash and cash equivalents at beginning of year			555,076		12,667
Cash and cash equivalents at end of year			389,174		555,076

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Paignton Picture House Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Wessex House, Teign Road, Newton Abbot, Devon, TQ12 4AA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (published in October 2019). The trust is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The trustees have a reasonable expectation that the trust will continue in operational existence for the foreseeable future, however, the trustees are aware of certain material uncertainties which may cause doubt on the charity's ability to continue as a going concern.

Based on forecasts prepared by the trustees, there is a projected funding shortfall of approximately £1.5 million between the current anticipated costs and funding currently secured. The Torbay Development Agency and Torbay Council have confirmed (subject to approval by DLUHC) an additional £0.6 million Future High Street Fund allocation to the trust. The trustees are in discussion with other organisations to secure further funding and although in these uncertain times there can be no certainty of the funding and the timing thereof, the trustees are confident that sufficient funding will be received to complete the project.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the trust 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.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Income from trading activities represents the value of tickets sold for tours to the extent that there is a right to consideration and is recorded at the fair value of the consideration received.

1.5 Resources expended

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

Expenditure on charitable activities includes the costs of renovating the cinema, and other activities undertaken to further the objectives of the trust and their associated support costs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
--------------------	-----

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

No depreciation is provided in respect of freehold buildings because the restoration of the Paignton Picture House is still ongoing, and it has not yet been developed into a functioning cinema.

1.7 Financial instruments

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

2 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	321	-	321	101	-	101
Grants	-	-	-	123,500	2,455,410	2,578,910
	<u>321</u>	<u>-</u>	<u>321</u>	<u>123,601</u>	<u>2,455,410</u>	<u>2,579,011</u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Income from donations and legacies

(Continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Grants						
DCMS/Arts Council of England Cultural Development Fund	-	-	-	-	2,422,670	2,422,670
Architectural Heritage Fund	-	-	-	-	32,740	32,740
Grants from charitable trusts and foundations	-	-	-	120,000	-	120,000
Other	-	-	-	3,500	-	3,500
	-	-	-	123,500	2,455,410	2,578,910

Included in grants receivable for core activities in 2022 are:

- a restricted grant from DCMS/Arts Council of England (Cultural Development Fund administered by Torbay Council) of £2,422,670; and
- an Unrestricted grant from The Rosalind Hicks Trust of £120,000.

3 Raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Fundraising and publicity				
Fundraising agents	-	30,898	30,898	-
Advertising	6,450	-	6,450	-
Fundraising and publicity	6,450	30,898	37,348	-
	6,450	30,898	37,348	-
For the year ended 31 December 2022				

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Charitable activities

	Preservation of Paignton Picture House 2023 £	Preservation of Paignton Picture House 2022 £
Repairs and renovation costs	(62,440)	3,022
Insurance	8,044	6,581
Light and heat	220	1,012
Rates and water	1,256	683
Computer costs	782	-
Printing and stationery	-	178
Legal and professional fees	846	3,220
Sundry expenses	392	36
	<u>(50,900)</u>	<u>14,732</u>
Share of support costs (see note 5)	208	214
Share of governance costs (see note 5)	2,890	6,410
	<u>(47,802)</u>	<u>21,356</u>
Analysis by fund		
Unrestricted funds	14,626	21,178
Restricted funds	(62,428)	178
	<u>(47,802)</u>	<u>21,356</u>
For the year ended 31 December 2022		
Unrestricted funds	21,178	
Restricted funds	178	
	<u>21,356</u>	

Repairs and renovation costs for 2023 above are stated after deducting retrospective input VAT reclaimed for earlier periods - see note 14 to the financial statements.

The governance costs represent audit fees - see note 5 to the financial statements.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Support costs allocated to activities

	2023 £	2022 £
Bank charges	208	214
Governance costs	2,890	6,410
	<u>3,098</u>	<u>6,624</u>
Analysed between:		
Preservation of Paignton Picture House	<u>3,098</u>	<u>6,624</u>

6 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	<u>2,890</u>	<u>6,410</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year except as disclosed under Related party transactions - see note 14 to the financial statements. None of the trustees were reimbursed any expenses (2022: none).

8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than £60,000.

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Tangible fixed assets

	Land and buildings £
Cost	
At 1 January 2023 and 31 December 2023	457,046
Additions	<u>445,612</u>
Carrying amount	
At 31 December 2022 and 31 December 2023	<u>902,658</u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

10 Tangible fixed assets

(Continued)

The carrying value of the land and buildings above represents the acquisition cost of the property, and the costs of the ongoing refurbishment and restoration work.

In the opinion of the trustees, the fair value of the land and buildings is at least equal to their carrying value above.

11 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Measured at undiscounted amount receivable:		
Accrued grant income	2,677,178	2,960,108
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at undiscounted amount payable:		
Trade and other creditors	(224,908)	(39,166)
	<u> </u>	<u> </u>

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	200,835	-
Prepayments and accrued income	1,465,843	445,635
	<u> </u>	<u> </u>
	1,666,678	445,635
	<u> </u>	<u> </u>
	2023	2022
	£	£
Amounts falling due after more than one year:		
Prepayments and accrued income	1,211,335	2,514,473
	<u> </u>	<u> </u>
Total debtors	2,878,013	2,960,108
	<u> </u>	<u> </u>

Prepayments and accrued income above represents accrued grant income awarded but not yet drawn.

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	224,908	39,166
Accruals and deferred income	4,500	7,046
	<u> </u>	<u> </u>
	229,408	46,212
	<u> </u>	<u> </u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023	Incoming resources	Resources expended (see note below)	Transfers	At 31 December 2023
	£	£	£	£	£
Architectural Heritage project development grants	55,766	-	6,408	-	62,174
Architectural Heritage transformational project grant grants	-	-	22,489	-	22,489
Historic England repair grant	10,705	-	29,596	-	40,301
Torbay Council - Future High Street grant	1,282,609	-	(26,963)	-	1,255,646
School for Social Entrepreneurs	10,000	-	-	-	10,000
Arts Council England - Cultural Development Fund grant	2,422,670	-	-	-	2,422,670
	<u>3,781,750</u>	<u>-</u>	<u>31,530</u>	<u>-</u>	<u>3,813,280</u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	At 31 December 2022
	£	£	£	£	£
The Rosalind Hicks Charitable Trust	5,000	-	-	(5,000)	-
Architectural Heritage project development grants	23,204	32,740	(178)	-	55,766
Historic England repair grant	10,705	-	-	-	10,705
Torbay Council - Future High Street grant	1,282,609	-	-	-	1,282,609
School for Social Entrepreneurs	10,000	-	-	-	10,000
Arts Council England - Cultural Development Fund grant	-	2,422,670	-	-	2,422,670
	<u>1,331,518</u>	<u>2,455,410</u>	<u>178</u>	<u>(5,000)</u>	<u>3,781,750</u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Restricted funds

(Continued)

The restricted funds held are:

- The Rosalind Hicks Charitable Trust - for the surveying and restoration of the stained-glass windows;
- The Architectural Heritage Fund grants - for capital project development costs and transformational capital projects;
- Historic England repair grant - for heritage at risk;
- Torbay Council - Future High Street grant - for repair of the front elevation and opening up the main entrance, to provide access to the front part of the building and make it available for community and public use;
- School for Social Entrepreneurs grant - match funding for the Future High Street grant;
- Arts Council England: Cultural Development Fund grant - to bring the building back into full use as a cinema, cultural and community hub.

Resources expended for the year ended 31 December 2023 are stated after deducting input VAT retrospectively reclaimed of £70,928 (2022: £Nil) following the trust's VAT registration, relating to restricted expenditure for the period 1 December 2020 to 31 December 2022.

The fund transfer of £5,000 from the Rosalind Hicks Charitable Trust to Unrestricted funds on 31 December 2022 above represents expenditure on the restoration of the stained glass incurred in earlier periods, which was analysed as Unrestricted expenditure in error.

15 Unrestricted funds

The unrestricted funds of the trust comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
General funds	144,268	3,965	(21,076)	-	127,157
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	At 31 December 2022
	£	£	£	£	£
General funds	36,768	123,678	(21,178)	5,000	144,268
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	114,098	788,560	902,658
Current assets/(liabilities)	13,059	3,024,720	3,037,779
	<u> </u>	<u> </u>	<u> </u>
	127,157	3,813,280	3,940,437
	<u> </u>	<u> </u>	<u> </u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

16 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
At 31 December 2022:			
Tangible assets	68,625	388,421	457,046
Current assets/(liabilities)	75,643	3,393,329	3,468,972
	<u>144,268</u>	<u>3,781,750</u>	<u>3,926,018</u>

17 Related party transactions

Transactions with related parties

During the year the trust entered into the following transactions with related parties:

	Purchase of services	
	2023 £	2022 £
Other related parties	41,475	33,684
	<u>41,475</u>	<u>33,684</u>

Other related parties represent the spouse of a trustee, who is engaged as project coordinator on normal commercial terms.

18 Analysis of changes in net funds

The trust had no material debt during the year.

19 Cash generated from operations

	2023 £	2022 £
Surplus for the year	14,419	2,557,732
Adjustments for:		
Investment income recognised in statement of financial activities	(3,644)	(77)
Movements in working capital:		
Decrease/(increase) in debtors	82,095	(1,629,787)
Increase in creditors	183,196	21,510
Cash generated from operations	<u>276,066</u>	<u>949,378</u>

THE PAIGNTON PICTURE HOUSE TRUST

England & Wales - Charity number 1157934

Accounts

Charity registration number 01157934

Company registration number 08725788 (England and Wales)

THE PAIGNTON PICTURE HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE PAIGNTON PICTURE HOUSE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P N Hawthorne Mr C I Wills Ms I Butler Mr J S Brandon Ms J Langraf Mr S P Caunter (Appointed 2 March 2022)
Charity number	01157934
Company number	08725788
Principal address	Torbay Cinema (known as The Paignton Picture House) 2 Torbay Road Paignton Devon TQ4 6AF
Registered office	Wessex House Teign Road Newton Abbot Devon TQ12 4AA
Auditor	Darnells Audit Limited Quay House Quay Road Newton Abbot Devon TQ12 2BU
Solicitors	Scott Richards Newfoundland House 4 Regent Street Teignmouth TQ14 8SL

THE PAIGNTON PICTURE HOUSE TRUST

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THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (published in October 2019).

Objectives and activities

The objectives of the trust are specifically restricted to the following:

To preserve for the benefit of the people of Paignton, Devon and the Nation, the historical, architectural and constructional heritage that may exist in and around the Paignton Picture House, Torbay Road, Paignton, Devon in buildings (including any structure or erection, and any part of a building as so defined) of particular beauty or historical, architectural or constructional interest.

The aim of the charity is to restore the Paignton Picture House to preserve this heritage asset for future generations and to benefit the local community by reopening as a cinema and community arts centre. Paignton Picture House is a Grade II* listed building dating back to 1914. It is of great historical importance, being one of the most complete surviving examples of early cinema. It also has strong distinctive cultural links with the writer Agatha Christie, who visited regularly whilst she stayed at nearby Greenway House.

Prior to being acquired by the trust, the cinema had been vacant and boarded up since it closed in 1999. It was physically deteriorating and at risk of complete loss; such was its vulnerability that it had been placed on Historic England's Heritage At Risk Register long before the trust purchased the building.

The trust relies on grants, donations and income from private tours to cover its operating costs, and to fund the restoration and redevelopment of the Paignton Picture House. Currently the cinema is closed to the general public. The trustees are working with the architects and consultants to develop a robust plan to restore and redevelop this historic building into a functioning cinema and community arts venue.

Achievements and performance

During the year the trust secured funding in the form of a grant of £2,422,670 from DCMS/Arts Council of England (Cultural Development Fund, administered by Torbay Council) towards the capital programme and early cultural programme.

As part of this early programme to deliver benefit to the community through heritage, arts and cultural engagement, the trust began to develop plans with partner organisations, including Filament CIC and Sound Communities CIC, towards several cultural outreach activities in 2023.

The trust appointed a Design Team led by AOC Architecture in January 2022, and commenced the process of preparation towards applying for Planning Permission and Listed Building Consent, ahead of submission in early Spring 2023. Alongside this the Trust appointed consultants to develop a revised feasibility report for the project, which included high-level business modelling based on extensive shared data from other independent cinema venues.

The first formal public consultations were delivered during 2022, with more than 1,750 people visiting to feed into the restoration and redevelopment plans. The strength of support and enthusiasm for Paignton Picture House was evident. The consultations showed that local people have huge pride in the town, seeing Paignton Picture House as a three-dimensional manifestation of this pride. 95% of respondents are excited by our plans, rising to 99% in the under 45 age group. 97% want the cinema to remain central, but also felt that the breadth of programme is important. The distinctive heritage was also something respondents wished to be celebrated and there was enthusiasm for volunteering in the venue.

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

The Paignton Picture House's Co-Design group, made up of 18 local people selected from 80 applicants, was also formed during the year and had its inaugural meeting. The trust's meaningful approach to community engagement will ensure that Paignton Picture House, both the restoration project; the operational venue and its artistic programme, will be driven and collaboratively designed by the community it serves

How the activities of the trust deliver public benefit:

The trustees confirm that they have paid due regard to the Charity Commission's general guidance on public benefit under the Charities Act 2011. In particular, they consider how planned activities will contribute to the aims and objectives of the trust and are satisfied that all activities continue to be related to its purpose as set out in the governing document.

The trust exists to restore and preserve the important and unique heritage within the Paignton Picture House and to deliver benefit to the local community through film, arts and cultural activities as well as wider activities such as volunteering, education and training opportunities and provision of community spaces.

Paignton is in the top 10% of deprived areas in the UK's Index of Multiple Deprivation and Torbay is the most deprived upper-tier South West local authority. It is a "Priority Place" in the Government's Levelling Up programme. This project is a pivotal element in the local strategic plan to revive and regenerate the area. The trustees fully appreciate the key role that the Paignton Picture House can play in delivering wide ranging public benefit and this is central in the trust's capital, operational and artistic strategic planning. The trust aims to celebrate the building's rich heritage, reimagining it not just as a cinema but as a cultural hub that contributes to positive social change.

Financial review

During the year the trust was awarded grants of £2,578,910 (2021: £1,583,422), including a restricted grant of £2,422,670 from DCMS/Arts Council of England (Cultural Development Fund administered by Torbay Council). In 2021 a restricted grant of £1,285,246 was awarded by DLUHC Future High Street Fund (administered by Torbay Council and the Torbay Development Agency).

The trust's expenditure included building and restoration/conservation costs, professional and consultancy fees and other costs of £407,046 which have been capitalised as additions to the freehold property (see note 8 to the financial statements). In previous years such costs were written off in the Statement of Financial Activity since they represented preparatory and initial phase work, and there was uncertainty that sufficient funds could be raised to complete the project.

Other expenditure on charitable activities amounted to £21,356 (2021: £387,681). The expenditure in the previous year of £387,681 included repairs and renovation costs of £309,885 which was not capitalised (see the previous paragraph).

The Net income for the year amounted to £2,557,732 (2021: £1,196,385). The total funds available at 31 December 2022 are £3,926,018 (2021: £1,368,286), comprising Unrestricted funds of £144,268 (2021: £36,768) and Restricted funds of £3,781,750 (2021: £1,331,518).

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Reserves policy

It is the policy of the trust that unrestricted, free reserves which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure (currently £3,750 - £7,500). The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised.

At 31 December 2022 the trust had a surplus on free reserves of £3,468,792 (2021: £1,318,286) of which £3,393,329 (2021: £1,331,518) are restricted funds. This represents the accumulation of funds to cover planned expenditure on the restoration project and a small proportion for the early cultural programme.

The remaining £144,268 unrestricted funds is above free reserves policy and, as part of the overall strategy, the trustees plan to designate the majority of this towards:

- fundraising/marketing costs for the capital appeal; and
- year one operational costs of the cinema and community arts venue to support sustainability in the early stages of reopening.

Further fundraising is being undertaken to increase reserves ahead of the major restoration work which is yet to be undertaken.

Principal funding sources

The principal sources of funding are government grants administered by Torbay Council. The terms of these grants require the trust to seek match funding from income sources such as further grants from charitable trusts/foundations and public fundraising.

Principal risks and uncertainties

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The principal risk remains that the building is at risk of complete loss without major restoration work. The building has been subjected to years of dilapidation and is in a very poor condition. Invasive surveys brought to light several significant structural vulnerabilities. There are three parts which are structurally fragile which, if not resolved, could lead to the complete loss of use of the building due to their dangerous nature: the auditorium floor cannot safely take the load of an audience and the auditorium roof and lime plasterwork are failing.

The trust's main operational risk concerns obtaining sufficient funding to meet the forecast shortfall for the full capital project, within the timescales required by the spend deadlines for the Government grants secured. The trustees have engaged a tax specialist to look into the possibility of reclaiming the VAT incurred on the renovation costs, estimated to be in the region of £1.5 million. The trustees will be developing a diverse fundraising plan to secure the current shortfall, estimated to be in the region of £2 million, mainly from grants from trusts/foundations alongside public fundraising.

Plans for future periods

Since the year-end, the trust has been granted planning permission and Listed Building consent for the planned works.

Publicly procured contractors will go on site at the end of 2023 for Phase 1 of the project, the enabling works, which will run until March 2024. This will be financed by the Future High Street Fund grant to meet the spend deadline of March 2024 (although the Torbay Development Agency has since provided an update that all Future High Street Funds now have an extension for commitment by September 2024). The Torbay Development Agency and Torbay Council have confirmed (subject to approval by DLUHC) an additional £600,000 Future High Street Fund allocation. The intention is to start Phase 2 of the work, the major restoration and redevelopment works, as soon as possible after April 2024 should sufficient funding be in place, with the aim of reopening the building as a cinema and community arts venue in 2025.

Structure, governance and management

The Paignton Picture House Trust was incorporated on 9 October 2013 and set up by an Order of the Charity Commissioners on 22 July 2014. The trust is a company limited by guarantee and a registered charity with the number 01157934 (England and Wales).

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr P N Hawthorne

Mr C I Wills

Mr A F Bueno (Resigned 27 April 2023)

Ms I Butler

Mr J S Brandon

Ms J Langraf

Mr S P Caunter (Appointed 2 March 2022)

Recruitment and appointment of trustees

The trust has 6 trustees constituting its Board of Trustees. The board has been discussing the possibility of recruiting new trustees for their experience, skills and knowledge. New trustees may be sought by open advertisement or through dialogues with other institutions with similar objects.

Related parties

All trustees give their time voluntarily and receive no benefits from the trust. Any expenses reclaimed by the trustees from the trust are set out in the notes to the accounts.

None of the trustees has any beneficial interest in the trust. Two trustees are members of the trust (which is incorporated as a charitable company) and guarantee to contribute £10 in the event of a winding up.

The trust employs the spouse of one of the trustees as a project manager to oversee the renovation work. The spouse is a qualified professional and the fees charged are at a market rate. The trustees manage this process as part of their Conflicts of Interest records and policy.

Statement of trustees' responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust 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 trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor, Darnells Audit Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditor

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

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

Mr P N Hawthorne
Trustee

20 December 2023

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

Opinion

We have audited the financial statements of The Paignton Picture House Trust (the 'trust') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 December 2022 and of its 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 trust 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the trustees have identified a potential shortfall in funding for the renovation of the building' although they have a planned approach to raise the remaining funds required. As stated in note 1.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included reviewing the project forecast and the funding received up to 31 December 2022 and discussing with the trustees their plans to address this shortfall. We are satisfied that, on the basis of the trustees' plans, it is reasonable to assume that sufficient funding will be received to complete the project.

Our responsibilities and the responsibilities of the directors 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 auditor's 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 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.

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose 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 trust'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.

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 risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentation or through collusion.

However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the charitable company and management.

There only laws and regulations identified as being of significance in the context of the charitable company are planning permission and listed building consent.

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Reviewing compliance with planning regulations and listed building consent.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sean Murphy (Senior Statutory Auditor)
for and on behalf of Darnells Audit Limited
Statutory Auditor

20 December 2023
Quay House
Quay Road
Newton Abbot
Devon
TQ12 2BU

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	2	123,601	2,455,410	2,579,011	640	1,583,422	1,584,062
Investments		77	-	77	4	-	4
Total income		<u>123,678</u>	<u>2,455,410</u>	<u>2,579,088</u>	<u>644</u>	<u>1,583,422</u>	<u>1,584,066</u>
Expenditure on:							
Charitable activities	3	<u>21,178</u>	<u>178</u>	<u>21,356</u>	<u>14,955</u>	<u>372,726</u>	<u>387,681</u>
Net incoming resources before transfers		102,500	2,455,232	2,557,732	(14,311)	1,210,696	1,196,385
Gross transfers between funds		<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income for the year/Net movement in funds		107,500	2,450,232	2,557,732	(14,311)	1,210,696	1,196,385
Fund balances at 1 January 2022		<u>36,768</u>	<u>1,331,518</u>	<u>1,368,286</u>	<u>51,079</u>	<u>120,822</u>	<u>171,901</u>
Fund balances at 31 December 2022		<u><u>144,268</u></u>	<u><u>3,781,750</u></u>	<u><u>3,926,018</u></u>	<u><u>36,768</u></u>	<u><u>1,331,518</u></u>	<u><u>1,368,286</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PAIGNTON PICTURE HOUSE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	8		457,046		50,000
Current assets					
Debtors falling due after one year	10	2,514,473		550,819	
Debtors falling due within one year	10	445,635		779,502	
Cash at bank and in hand		555,076		12,667	
		<u>3,515,184</u>		<u>1,342,988</u>	
Creditors: amounts falling due within one year	11	<u>(46,212)</u>		<u>(24,702)</u>	
Net current assets			3,468,972		1,318,286
Net assets			<u>3,926,018</u>		<u>1,368,286</u>
Income funds					
Restricted funds	12	3,781,750		1,331,518	
Unrestricted funds		144,268		36,768	
		<u>3,926,018</u>		<u>1,368,286</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 20 December 2023

Mr P N Hawthorne
Trustee

Mr C I Wills
Trustee

Company registration number 08725788

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	15		949,378		(10,173)
Investing activities					
Purchase of tangible fixed assets		(407,046)		-	
Interest received		77		4	
Net cash (used in)/generated from investing activities			(406,969)		4
Net increase/(decrease) in cash and cash equivalents			542,409		(10,169)
Cash and cash equivalents at beginning of year			12,667		22,836
Cash and cash equivalents at end of year			555,076		12,667

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Paignton Picture House Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Wessex House, Teign Road, Newton Abbot, Devon, TQ12 4AA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (published in October 2019). The trust is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The trustees have a reasonable expectation that the trust will continue in operational existence for the foreseeable future, however, the trustees are aware of certain material uncertainties which may cause doubt on the charity's ability to continue as a going concern.

Based on forecasts prepared by the trustees, there is a projected funding shortfall of approximately £2 million between the current anticipated costs and funding currently secured. The trustees have consulted a VAT specialist who believe that VAT suffered of £1.5 million can be reclaimed from the project costs. In addition, The Torbay Development Agency and Torbay Council have confirmed (subject to approval by DLUHC) an additional £0.6 million Future High Street Fund allocation to the trust. The trustees are in discussion with other organisations to secure further funding, and are confident that sufficient funding will be received to complete the project.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

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

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

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the trust 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.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Income from trading activities represents the value of tickets sold for tours to the extent that there is a right to consideration and is recorded at the fair value of the consideration received.

1.5 Resources expended

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

Expenditure on charitable activities includes the costs of renovating the cinema, and other activities undertaken to further the objectives of the trust and their associated support costs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
--------------------	-----

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

No depreciation is provided in respect of freehold buildings because the restoration of the Paignton Picture House is still ongoing, and it has not yet been developed into a functioning cinema.

1.7 Financial instruments

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	101	-	101	640	-	640
Grants receivable for renovation of the cinema	123,500	2,455,410	2,578,910	-	1,583,422	1,583,422
	<u>123,601</u>	<u>2,455,410</u>	<u>2,579,011</u>	<u>640</u>	<u>1,583,422</u>	<u>1,584,062</u>

Included in grants receivable for core activities is a restricted grant from DCMS/Arts Council of England (Cultural Development Fund administered by Torbay Council) of £2,422,670 (2021: restricted grant from DLUHC Future High Street Fund (administered by Torbay Council) of £1,285,246) - see below:

Grants receivable for core activities

DCMS/Arts Council of England Cultural Development Fund	-	2,422,670	2,422,670	-	-	-
DLUHC Future High Street Fund	-	-	-	-	1,285,246	1,285,246
Historic England	-	-	-	-	206,366	206,366
Architectural Heritage Fund	-	32,740	32,740	-	34,070	34,070
Grants from charitable trusts and foundations	120,000	-	120,000	-	45,000	45,000
Other	3,500	-	3,500	-	12,740	12,740
	<u>123,500</u>	<u>2,455,410</u>	<u>2,578,910</u>	<u>-</u>	<u>1,583,422</u>	<u>1,583,422</u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Charitable activities

	Preservation of Paignton Picture House 2022 £	Preservation of Paignton Picture House 2021 £
Repairs and renovation costs	3,022	309,885
Insurance	6,581	7,032
Light and heat	1,012	915
Rates and water	683	425
Computer costs	-	296
Printing and stationery	178	-
Legal and professional fees	3,220	64,798
Sundry expenses	36	219
	<u>14,732</u>	<u>383,570</u>
Share of support costs (see note 4)	214	111
Share of governance costs (see note 4)	6,410	4,000
	<u>21,356</u>	<u>387,681</u>
Analysis by fund		
Unrestricted funds	21,178	14,955
Restricted funds	178	372,726
	<u>21,356</u>	<u>387,681</u>
For the year ended 31 December 2021		
Unrestricted funds	14,955	
Restricted funds	372,726	
	<u>387,681</u>	

The governance costs represent audit fees - see note 4 to the financial statements.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Bank charges	214	-	214	111	-	111
Audit fees	-	6,410	6,410	-	4,000	4,000
	<u>214</u>	<u>6,410</u>	<u>6,624</u>	<u>111</u>	<u>4,000</u>	<u>4,111</u>
Analysed between Charitable activities	<u>214</u>	<u>6,410</u>	<u>6,624</u>	<u>111</u>	<u>4,000</u>	<u>4,111</u>

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year except as disclosed under Related party transactions - see note 14 to the financial statements. None of the trustees were reimbursed any expenses (2021: none).

6 Employees

Number of employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
-	-
<u>-</u>	<u>-</u>

7 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

8 Tangible fixed assets

	Land and buildings £
Cost	
At 1 January 2022 and 31 December 2022	50,000
Additions	407,046
	<u>457,046</u>
Carrying amount	
At 31 December 2021 and 31 December 2022	<u>457,046</u>

In the opinion of the trustees, the fair value of the land and buildings is at least equal to their carrying value above.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Measured at undiscounted amount receivable:		
Accrued grant income	2,960,108	1,330,321
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at undiscounted amount payable:		
Trade and other creditors	(39,166)	(20,504)
	<u> </u>	<u> </u>

10 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Prepayments and accrued income	445,635	779,502
	<u> </u>	<u> </u>
	2022 £	2021 £
Amounts falling due after more than one year:		
Prepayments and accrued income	2,514,473	550,819
	<u> </u>	<u> </u>
Total debtors	2,960,108	1,330,321
	<u> </u>	<u> </u>

The Debtors above represent accrued grant income awarded but not yet drawn.

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	39,166	20,504
Accruals and deferred income	7,046	4,198
	<u> </u>	<u> </u>
	46,212	24,702
	<u> </u>	<u> </u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2021	Income	Reserves Expended	Balance at 1 January 2022	Income	Reserves Expended	Transfers
	£	£	£	£	£	£	£
Renovation of the Paignton Picture House	3,533	-	(3,533)	-	-	-	-
The Rosalind Hicks Charitable Trust	5,000	-	-	5,000	-	-	(5,000)
Architectural Heritage project development grants	67,260	-	(44,056)	23,204	32,740	(178)	-
Architectural Heritage transformational project grant grants	45,029	45,000	(90,029)	-	-	-	-
Historic England repair grant	-	206,366	(195,661)	10,705	-	-	-
Torbay Council - Future High Street grant	-	1,285,246	(2,637)	1,282,609	-	-	-
The Rosalind Hicks Charitable Trust	-	34,070	(34,070)	-	-	-	-
Cinema Theatre Association	-	2,740	(2,740)	-	-	-	-
School for Social Entrepreneurs	-	10,000	-	10,000	-	-	-
Arts Council England - Cultural Development Fund grant	-	-	-	-	2,422,670	-	-
	<u>120,822</u>	<u>1,583,422</u>	<u>(372,726)</u>	<u>1,331,518</u>	<u>2,455,410</u>	<u>(178)</u>	<u>(5,000)</u>
							<u>3,781,750</u>

The restricted funds held are:

- The Rosalind Hicks Charitable Trust - for the surveying and restoration of the stained-glass windows;
- The Architectural Heritage Fund grants - for capital project development costs and transformational capital projects;
- Historic England repair grant - for heritage at risk;
- Torbay Council - Future High Street grant - for repair of the front elevation and opening up the main entrance, to provide access to the front part of the building and make it available for community and public use;
- The Rosalind Hicks Charitable Trust - for general restoration work;
- School for Social Entrepreneurs grant - match funding for the Future High Street grant;
- Arts Council England: Cultural Development Fund grant - to bring the building back into full use as a cinema, cultural and community hub.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Restricted funds

(Continued)

The fund transfer of £5,000 from the Rosalind Hicks Charitable Trust to Unrestricted funds above represents expenditure on the restoration of the stained glass incurred in earlier periods, which was analysed as Unrestricted expenditure in error.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Analysis of net assets between funds

	Unrestricted	Restricted	Total Unrestricted	Restricted	Total
	2022	2022	2022	2021	2021
	£	£	£	£	£
Fund balances at 31 December 2022 are represented by:					
Tangible assets	68,625	388,421	457,046	50,000	50,000
Current assets/(liabilities)	75,643	3,393,329	3,468,972	(13,232)	1,331,518
	<u>144,268</u>	<u>3,781,750</u>	<u>3,926,018</u>	<u>36,768</u>	<u>1,368,286</u>

14 Related party transactions

Transactions with related parties

During the year the trust entered into the following transactions with related parties:

	Purchase of services	
	2022	2021
	£	£
Other related parties	33,684	22,750
	<u>33,684</u>	<u>22,750</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2022	2021
	£	£
Other related parties	-	2,800
	<u>-</u>	<u>2,800</u>

The transactions in Other related parties above represent professional fees paid to Josephine Brown, the spouse of Mr Paul Hawthorne, employed as a project co-ordinator on normal commercial terms on an arm's length basis.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15	Cash generated from operations	2022	2021
		£	£
	Surplus for the year	2,557,732	1,196,385
	Adjustments for:		
	Investment income recognised in statement of financial activities	(77)	(4)
	Movements in working capital:		
	(Increase) in debtors	(1,629,787)	(1,218,032)
	Increase in creditors	21,510	11,478
	Cash generated from/(absorbed by) operations	949,378	(10,173)
16	Analysis of changes in net funds		
	The trust had no debt during the year.		

THE PAIGNTON PICTURE HOUSE TRUST

England & Wales - Charity number 1157934

Accounts

Charity registration number 01157934

Company registration number 08725788 (England and Wales)

THE PAIGNTON PICTURE HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE PAIGNTON PICTURE HOUSE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P N Hawthorne	
	Mr C I Wills	
	Mr A F Bueno	
	Ms I Butler	
	Mr J S Brandon	(Appointed 20 May 2021)
	Ms J Langraf	(Appointed 20 May 2021)
Charity number	01157934	
Company number	08725788	
Principal address	Torbay Cinema (known as The Paignton Picture House) 2 Torbay Road Paignton Devon TQ4 6AF	
Registered office	Wessex House Teign Road Newton Abbot Devon TQ12 4AA	
Auditor	Darnells Audit Limited Quay House Quay Road Newton Abbot Devon TQ12 2BU	

THE PAIGNTON PICTURE HOUSE TRUST

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THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (published in October 2019).

Objectives and activities

The objectives of the trust are specifically restricted to the following:

To preserve for the benefit of the people of Paignton, Devon and the Nation, the historical, architectural and constructional heritage that may exist in and around the Paignton Picture House, Torbay Road, Paignton, Devon in buildings (including any structure or erection, and any part of a building as so defined) of particular beauty or historical, architectural or constructional interest.

The aim of the trust is to restore the cinema, known as The Paignton Picture House, which is a grade II* listed building dating back to 1914. It is of great historical importance, being possibly the oldest purpose-built cinema in Europe. It has strong links with the writer Agatha Christie, who attended it whilst she stayed at nearby Greenway House.

The trustees have paid due regard to guidance issued by the Charity Commission on public benefit. The trust relies on grants, donations and income from tours to cover its operating costs.

Currently the cinema is closed to the general public. The trustees are working with the architects and consultants to develop a plan to restore and develop this historic building into a functioning cinema once again.

Achievements and performance

The Picture House is currently closed to the public, preventing any further tours of the Picture House for the time being, to enable essential maintenance to be carried out and to prevent further physical deterioration.

The trustees have employed architects and consultants, including Le Page Architects and the Real Media Organisation, to develop plans for the Picture House going forward including bringing the building back into full use as a cinema, cultural and community hub in the centre of Paignton. There is strong support from the community in Paignton and from a range of partner organisations, including Historic England and The Architectural Heritage Fund, to bring the cinema back into use. The plan is to aim to open the cinema by 2025.

During the year the Trust secured funding in the form of a grant of £1.285 million from Torbay Council from their Future High Street Fund to cover work on repairs of the front elevation and opening up of the main entrance, providing access to the front part of the building which would then be available for community and public use. This would allow the creation of a cafe and meeting space, which would provide revenue to support the project.

Now that the Trust has significant funding in place, the trustees can begin the process of applying for planning permission and Listed Building consent for the planned works.

Financial review

During the year the trust was awarded grants of £1,583,422 (2020: £58,843), including a restricted grant of £1,285,246 from Torbay Council from the Future High Street Fund.

The trust's expenditure included building and renovation costs of £309,885 (2020: £80), along with legal and professional fees (including architect's, project manager's and structural engineer's fees) of £77,850 (2020: £30,473). Other costs incurred amounted to £12,998 (2020: £5,983) leaving a Net income for the year of £1,183,333 (2020: £23,150).

The total funds available at 31 December 2021 are £1,355,234, comprising Unrestricted funds of £36,768 and Restricted funds of £1,318,466.

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Reserves policy

It is the policy of the trust that unrestricted, free reserves which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised.

At 31 December 2021 the trust had a surplus on free reserves of £1,318,286 (2020: £121,901).

Further grants are expected to be applied for in the future, and fundraising is being undertaken by the trustees to cover the running costs and boost reserves for the major restoration work still to be undertaken.

Risk policy

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

Since the year end the Trust has been successful in its bid for funding from the Arts Council, and has been awarded a grant of £3 million.

The trustees have applied for a grant from the Agatha Christie Foundation which, together with other grant applications in the pipeline, is hoped will fund the next phase of the restoration of the building.

Structure, governance and management

The Paignton Picture House Trust was incorporated on 9 October 2013 and set up by an Order of the Charity Commissioners on 22 July 2014. The trust is a company limited by guarantee and a registered charity with the number 01157934 (England and Wales).

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr P N Hawthorne

Mr C I Wills

Mr A F Bueno

Ms I Butler

Mr J S Brandon

(Appointed 20 May 2021)

Ms J Langraf

(Appointed 20 May 2021)

Recruitment and appointment of trustees

The trust has 6 Trustees constituting its Board of Trustees. The board has been discussing the possibility of recruiting new Trustees for their experience, skills and knowledge. New Trustees may be sought by open advertisement or through dialogues with other institutions with similar objects.

All Trustees give their time voluntarily and receive no benefits from the Foundation. Any expenses reclaimed by the Trustees from the Trust are set out in the notes to the accounts.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of trustees' responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust 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 trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Darnells Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

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

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

Mr P N Hawthorne
Trustee

31 October 2022

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

Opinion

We have audited the financial statements of The Paignton Picture House Trust (the 'trust') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 December 2021 and of its 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 trust 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 trust'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 auditor's 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose 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 trust'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.

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 risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentation or through collusion.

However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the charitable company and management.

There only laws and regulations identified as being of significance in the context of the charitable company are planning permission and listed building consent.

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Reviewing compliance with planning regulations and listed building consent.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sean Murphy (Senior Statutory Auditor)
for and on behalf of Darnells Audit Limited
Statutory Auditor

31 October 2022
Quay House
Quay Road
Newton Abbot
Devon
TQ12 2BU

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income from:							
Donations and legacies	2	640	1,583,422	1,584,062	10,842	48,843	59,685
Investments		4	-	4	1	-	1
Total income		644	1,583,422	1,584,066	10,843	48,843	59,686
Expenditure on:							
Charitable activities	3	14,955	372,726	387,681	9,455	27,081	36,536
Net (expenditure)/income for the year/Net movement in funds		(14,311)	1,210,696	1,196,385	1,388	21,762	23,150
Fund balances at 1 January 2021		51,079	120,822	171,901	49,691	10,000	148,751
Fund balances at 31 December 2021		36,768	1,331,518	1,368,286	51,079	120,822	171,901

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PAIGNTON PICTURE HOUSE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	7		50,000		50,000
Current assets					
Debtors falling due after one year	8	550,819		-	
Debtors falling due within one year	8	779,502		112,289	
Cash at bank and in hand		12,667		22,836	
		1,342,988		135,125	
Creditors: amounts falling due within one year	9	(24,702)		(13,224)	
Net current assets			1,318,286		121,901
Total assets less current liabilities			1,368,286		171,901
Income funds					
Restricted funds	10	1,331,518		120,822	
Unrestricted funds		36,768		51,079	
		1,368,286		171,901	

The financial statements were approved by the Trustees on 31 October 2022

Mr P N Hawthorne
Trustee

Mr C I Wills
Trustee

Company registration number 08725788

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	13		(10,173)		12,972
Investing activities					
Interest received		4		1	
Net cash generated from investing activities			4		1
Net (decrease)/increase in cash and cash equivalents			(10,169)		12,973
Cash and cash equivalents at beginning of year			22,836		9,863
Cash and cash equivalents at end of year			12,667		22,836

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Paignton Picture House Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Wessex House, Teign Road, Newton Abbot, Devon, TQ12 4AA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (published in October 2019). The trust is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

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

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

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the trust 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 from trading activities represents the value of tickets sold for tours to the extent that there is a right to consideration and is recorded at the fair value of the consideration received.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Resources expended

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

Expenditure on charitable activities includes the costs of renovating the cinema, and other activities undertaken to further the objectives of the trust and their associated support costs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
--------------------	-----

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

No depreciation is provided in respect of freehold buildings because, in the opinion of the trustees, the useful economic life and residual value are such that any provision for depreciation over the life of the asset would be immaterial.

1.7 Financial instruments

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	640	-	640	842	-	842
Grants receivable for renovation of the cinema	-	1,583,422	1,583,422	10,000	48,843	58,843
	640	1,583,422	1,584,062	10,842	48,843	59,685

Included in grants receivable for core activities is a restricted grant from Torbay Council's Future High Street Fund of £1,285,246 - see below:

Grants receivable for core activities

Torbay Council - Future High Street fund	-	1,285,246	1,285,246	-	-	-
Historic England	-	206,366	206,366	-	-	-
Architectural Heritage Fund	-	45,000	45,000	-	45,029	45,029
Rosalind Hicks Trust	-	34,070	34,070	-	-	-
Torbay Council - Covid grant	-	-	-	10,000	-	10,000
Other	-	12,740	12,740	-	3,814	3,814
	-	1,583,422	1,583,422	10,000	48,843	58,843

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Charitable activities

	Preservation of Paignton Picture House 2021 £	Preservation of Paignton Picture House 2020 £
Repairs and renovation costs	309,885	80
Insurance	7,032	3,961
Light and heat	915	681
Rates and water	425	-
Charitable expenditure heading 5	296	327
Legal and professional fees	64,798	30,473
Sundry expenses	219	209
	383,570	35,731
Share of support costs (see note 4)	111	305
Share of governance costs (see note 4)	4,000	500
	387,681	36,536
Analysis by fund		
Unrestricted funds	14,955	9,455
Restricted funds	372,726	27,081
	387,681	36,536
For the year ended 31 December 2020		
Unrestricted funds	9,455	
Restricted funds	27,081	
	36,536	

The governance costs represent accountancy fees, donated free of charge by Darnells Chartered Accountants.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Bank charges	111	-	111	305	-	305
Audit fees	-	4,000	4,000	-	-	-
Independent Examiner's fees	-	-	-	-	500	500
	<u>111</u>	<u>4,000</u>	<u>4,111</u>	<u>305</u>	<u>500</u>	<u>805</u>
Analysed between Charitable activities	<u>111</u>	<u>4,000</u>	<u>4,111</u>	<u>305</u>	<u>500</u>	<u>805</u>

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. None of the trustees were reimbursed any expenses (2020 - none).

6 Employees

Number of employees

The average monthly number of employees during the year was:

2021 Number	2020 Number
-	-
<u>-</u>	<u>-</u>

7 Tangible fixed assets

	Land and buildings £
Cost	
At 1 January 2021 and 31 December 2021	<u>50,000</u>
Carrying amount	
At 31 December 2020 and 31 December 2021	<u>50,000</u>

8 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Prepayments and accrued income	<u>779,502</u>	<u>112,289</u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Debtors (Continued)

	2021 £	2020 £
Amounts falling due after more than one year:		
Prepayments and accrued income	550,819	-
	<u>550,819</u>	<u>-</u>
Total debtors	<u>1,330,321</u>	<u>112,289</u>

The Debtors above represent accrued grant income awarded but not yet drawn.

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	20,504	13,052
Accruals and deferred income	4,198	172
	<u>24,702</u>	<u>13,224</u>

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020	Movement in funds			Transfers	Balance at 1 January 2021	Movement in funds			Reserves Expended	Balance at 31 December 2021
	£	Income	Reserves Expended	£	£	£	Income	Reserves Expended	£	£	£
Renovation of The Paignton Picture House	5,000	-	(1,467)	-	-	3,533	-	(3,533)	-	-	-
Restoration of the stained-glass windows	5,000	-	-	-	-	5,000	-	-	-	-	5,000
Architectural Heritage project viability grant	-	-	(7,500)	7,500	-	-	-	-	-	-	-
Architectural Heritage project developmental grant	-	-	(11,485)	78,745	67,260	-	-	(44,056)	23,204	-	-
Architectural Heritage transformational project grant	-	45,029	-	-	45,029	-	45,000	(90,029)	-	-	-
Historic England repair grant	-	-	(2,815)	2,815	-	-	206,366	(195,661)	10,705	-	-
Torbay Economic Development Company grant	-	3,814	(3,814)	-	-	-	1,285,246	(2,637)	1,282,609	-	-
Rosalind Hicks Trust	-	-	-	-	-	-	34,070	(34,070)	-	-	-
Cinema Theatre Association	-	-	-	-	-	-	2,740	(2,740)	-	-	-
School for Social Entrepreneurs	-	-	-	-	-	-	10,000	-	10,000	-	-
	10,000	48,843	(27,081)	89,060	120,822	1,583,422	(372,726)	1,331,518			

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Restricted funds

(Continued)

The restricted funds held are:

- for the renovation and restoration of The Paignton Picture House;
- for the surveying and restoration of the stained-glass windows;
- The Architectural Heritage Fund grants for:
 - Early viability and feasibility work
 - Capital project development costs
 - Transformational capital projects
- Historic England repair grant for heritage at risk;
- Torbay Economic Development Company grant.
- Rosalind Hicks Trust grant.
- Cinema Theatre Association grant.
- School for Social Entrepreneurs grant.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Analysis of net assets between funds

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	50,000	-	50,000	50,000	-	50,000
Current assets/(liabilities)	(13,232)	1,331,518	1,318,286	1,079	120,822	121,901
	<u>36,768</u>	<u>1,331,518</u>	<u>1,368,286</u>	<u>51,079</u>	<u>120,822</u>	<u>171,901</u>

12 Related party transactions

Transactions with related parties

During the year the trust entered into the following transactions with related parties:

	Purchase of services	
	2021 £	2020 £
Other related parties	<u>22,750</u>	<u>-</u>

The transactions in Other related parties above represent professional fees paid to the spouse of a trustee, employed on normal commercial terms on an arm's length basis.

13 Cash generated from operations

	2021 £	2020 £
Surplus for the year	1,196,385	23,150
Adjustments for:		
Investment income recognised in statement of financial activities	(4)	(1)
Movements in working capital:		
(Increase) in debtors	(1,218,032)	(23,229)
Increase in creditors	11,478	13,052
Cash (absorbed by)/generated from operations	<u>(10,173)</u>	<u>12,972</u>

14 Analysis of changes in net funds

The trust had no debt during the year.

THE PAIGNTON PICTURE HOUSE TRUST
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

THE PAIGNTON PICTURE HOUSE TRUST

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	£	2021 £	£	2020 £
Income:				
Unrestricted donations and gifts		640		842
Unrestricted grant income		-		10,000
Restricted grant income		1,583,422		48,843
Unrestricted interest receivable		4		1
Total income		1,584,066		59,686
Resources expended:				
Charitable activities				
Preservation of Paignton Picture House				
Unrestricted repairs and renovation costs	2,402		80	
Unrestricted insurance	6,587		3,961	
Unrestricted light and heat	915		681	
Unrestricted rates	425		-	
Unrestricted computer costs	296		327	
Unrestricted legal and professional fees	-		3,392	
Unrestricted sundry expenses	219		209	
Share of unrestricted support costs	111		305	
Share of unrestricted governance costs	4,000		500	
Restricted repairs and renovation costs	307,483		-	
Restricted insurance	445		-	
Restricted legal and professional fees	64,798		27,081	
		(387,681)		(36,536)
Net movement in funds		1,196,385		23,150

THE PAIGNTON PICTURE HOUSE TRUST

SUPPORT AND GOVERNANCE COSTS FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020
	£	£	£	£
Support costs				
Bank charges		111		305
		111		305
 Governance costs				
Audit fees	4,000		-	
Independent Examiner's fees	-		500	
		4,000		500
		4,111		805

THE PAIGNTON PICTURE HOUSE TRUST

England & Wales - Charity number 1157934

Accounts

Charity Registration No. 01157934

Company Registration No. 08725788 (England and Wales)

THE PAIGNTON PICTURE HOUSE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE PAIGNTON PICTURE HOUSE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P N Hawthorne	
	Mr C I Wills	
	Mr A F Bueno	(Appointed 25 November 2020)
	Ms I Butler	(Appointed 25 November 2020)
Charity number	01157934	
Company number	08725788	
Principal address	Torbay Cinema (known as The Paignton Picture House) 2 Torbay Road Paignton Devon TQ4 6AF	
Registered office	Wessex House Teign Road Newton Abbot Devon TQ12 4AA	
Independent examiner	Darnells Chartered Accountants Quay House Quay Road Newton Abbot Devon TQ12 2BU	

THE PAIGNTON PICTURE HOUSE TRUST

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THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended by Update Bulletin 1 published on 2 February 2016).

Objectives and activities

The objectives of the trust are specifically restricted to the following:

To preserve for the benefit of the people of Paignton, Devon and the Nation, the historical, architectural and constructional heritage that may exist in and around the Paignton Picture House, Torbay Road, Paignton, Devon in buildings (including any structure or erection, and any part of a building as so defined) of particular beauty or historical, architectural or constructional interest.

The aim of the trust is to restore the cinema, known as The Paignton Picture House, which is a grade II* listed building dating back to 1915. It is of great historical importance, being possibly the oldest purpose-built cinema in Europe with links to both the Singer family and Agatha Christie (it is known to have been attended by her when she lived in Torquay).

The trustees have paid due regard to guidance issued by the Charity Commission on public benefit. The trust relies on grants, donations and income from tours to cover its operating costs.

Currently the cinema is closed to the general public. The trustees are working with the architects and consultants to develop a plan restore and develop the historic cinema.

Achievements and performance

The Picture House is currently closed to the public, preventing any further tours of the Picture House for the time being, to enable essential maintenance to be carried out.

The trustees are working with Le Page Architects and the Real Media Organisation to develop a plan for the Picture House going forward.

The trustees are continuing to talk to the Grandson and Great Grandson of Agatha Christie, who are very interested in the future plans for restoration.

Financial review

The trust received an unrestricted Covid grant from Torbay Council during the year of £10,000 (2019: £Nil). In addition the trust received other unrestricted donations of £842 (2019: £9,422).

Restricted grants of £48,843 were awarded during the year (2019: £92,821), including a grant of £45,029 awarded by The Architectural Heritage Fund for transformational capital projects.

The trust incurred unrestricted expenditure of £9,455 (2019: £15,270) and restricted expenditure of £27,081 (2019: £11,261) leaving a Net income for the year of £1,388 (2019: Net expenditure of £5,840).

The total funds available at 31 December 2020 are £171,901, comprising Unrestricted funds of £51,079 and Restricted funds of £120,822.

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Reserves policy

It is the policy of the trust that unrestricted, free reserves which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised.

At 31 December 2020 the trust had a surplus on free reserves of £1,079 (2019: deficit of £309).

Further grants are expected to be applied for in the future, and fundraising is being undertaken by the trustees to cover the running costs and boost reserves for the major restoration work still to be undertaken.

Risk policy

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Future plans

The trustees have applied for a grant from the Agatha Christie Foundation which, together with other grant applications in the pipeline, is hoped will fund the next phase of the restoration of the building.

Structure, governance and management

The Paignton Picture House Trust was incorporated on 9 October 2013 and set up by an Order of the Charity Commissioners on 22 July 2014. The trust is a company limited by guarantee and a registered charity with the number 01157934 (England and Wales).

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr P N Hawthorne

Mr C I Wills

Mr P W Harris

(Resigned 24 November 2020)

Mr A F Bueno

(Appointed 25 November 2020)

Ms I Butler

(Appointed 25 November 2020)

Recruitment and appointment of trustees

The trust has 3 Trustees constituting its Board of Trustees. The board has been discussing the possibility of recruiting new Trustees for their experience, skills and knowledge. New Trustees may be sought by open advertisement or through dialogues with other institutions with similar objects.

All Trustees give their time voluntarily and receive no benefits from the Foundation. Any expenses reclaimed by the Trustees from the Trust are set out in the notes to the accounts.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

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

Mr P N Hawthorne

Trustee

Dated: 30 September 2021

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

I report on the financial statements of the trust for the year ended 31 December 2020, which are set out on pages 4 to 14.

Respective responsibilities of trustees and examiner

The trust's trustees, who are also the directors of The Paignton Picture House Trust for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Phil Raisey ACA, FCCA
Darnells Chartered Accountants

Quay House
Quay Road
Newton Abbot
Devon
TQ12 2BU

Dated: 30 September 2021

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020	Restricted funds 2020	Total 2020	Unrestricted funds 2019	Restricted funds 2019	Total 2019 as restated
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies	2	10,842	48,843	59,685	9,422	92,821	102,243
Investments		1	-	1	8	-	8
Total income		10,843	48,843	59,686	9,430	92,821	102,251
Expenditure on:							
Charitable activities	3	9,455	27,081	36,536	15,270	11,261	26,531
Net income for the year/Net movement in funds		1,388	21,762	23,150	(5,840)	81,560	75,720
Fund balances at 1 January 2020:							
As originally reported		49,691	10,000	59,691	55,531	10,000	65,531
Prior year adjustment	10	-	89,060	89,060	-	7,500	7,500
As restated		49,691	99,060	148,751	55,531	17,500	73,031
Fund balances at 31 December 2020		51,079	120,822	171,901	49,691	99,060	148,751

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PAIGNTON PICTURE HOUSE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		50,000		50,000
Current assets					
Debtors	8	112,289		89,060	
Cash at bank and in hand		22,836		9,863	
		135,125		98,923	
Creditors: amounts falling due within one year	9	(13,224)		(172)	
Net current assets			121,901		98,751
Total assets less current liabilities			171,901		148,751
Income funds					
Restricted funds	10	120,822		99,060	
Unrestricted funds		51,079		49,691	
		171,901		148,751	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 30 September 2021

Mr P N Hawthorne
Trustee

Company Registration No. 08725788

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	14		12,972		(6,920)
Investing activities					
Interest received		1		8	
Net cash generated from investing activities			1		8
Net increase/(decrease) in cash and cash equivalents			12,973		(6,912)
Cash and cash equivalents at beginning of year			9,863		16,775
Cash and cash equivalents at end of year			22,836		9,863

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

The Paignton Picture House Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Wessex House, Teign Road, Newton Abbot, Devon, TQ12 4AA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The trust is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

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

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

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the trust 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 from trading activities represents the value of tickets sold for tours to the extent that there is a right to consideration and is recorded at the fair value of the consideration received.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Resources expended

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

Expenditure on charitable activities includes the costs of renovating the cinema, and other activities undertaken to further the objectives of the trust and their associated support costs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
--------------------	-----

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

No depreciation is provided in respect of freehold buildings because, in the opinion of the trustees, the useful economic life and residual value are such that any provision for depreciation over the life of the asset would be immaterial.

1.7 Financial instruments

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	842	-	842	9,422	-	9,422
Grants receivable for renovation of the cinema	10,000	48,843	58,843	-	92,821	92,821
	<u>10,842</u>	<u>48,843</u>	<u>59,685</u>	<u>9,422</u>	<u>92,821</u>	<u>102,243</u>

The donations and legacies for 2019 were analysed as follows:

Donations and gifts - Unrestricted funds £11,480

In 2020 the trust received a restricted grant of £11,261 from Historic England - see note 10 to the financial statements.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Charitable activities

	Preservation of Paignton Picture House 2020 £	Preservation of Paignton Picture House 2019 £
Repairs and renovation costs	80	2,292
Insurance	3,961	5,165
Light and heat	681	765
Rates and water	-	354
Charitable expenditure heading 5	327	-
Legal and professional fees	30,473	17,141
Sundry expenses	209	-
	<u>35,731</u>	<u>25,717</u>
Share of support costs (see note 4)	305	314
Share of governance costs (see note 4)	500	500
	<u>36,536</u>	<u>26,531</u>
Analysis by fund		
Unrestricted funds	9,455	15,270
Restricted funds	27,081	11,261
	<u>36,536</u>	<u>26,531</u>
For the year ended 31 December 2019		
Unrestricted funds	15,270	
Restricted funds	11,261	
	<u>26,531</u>	

The governance costs represent accountancy fees, donated free of charge by Darnells Chartered Accountants.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Bank charges	305	-	305	314	-	314
Independent Examiner's fees	-	500	500	-	500	500
	<u>305</u>	<u>500</u>	<u>805</u>	<u>314</u>	<u>500</u>	<u>814</u>
Analysed between Charitable activities	<u>305</u>	<u>500</u>	<u>805</u>	<u>314</u>	<u>500</u>	<u>814</u>

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. None of the trustees were reimbursed any expenses (2019 - none).

6 Employees

Number of employees

The average monthly number of employees during the year was:

2020 Number	2019 Number
-	-
<u>-</u>	<u>-</u>

7 Tangible fixed assets

	Land and buildings £
Cost	
At 1 January 2020 and 31 December 2020	<u>50,000</u>
Carrying amount	
At 31 December 2019 and 31 December 2020	<u>50,000</u>

8 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Prepayments and accrued income	<u>112,289</u>	<u>89,060</u>

The Debtors above represent accrued grant income awarded but not yet drawn.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	13,052	-
Accruals and deferred income	172	172
	<u>13,224</u>	<u>172</u>

10 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020	Income	Movement in funds Reserves Expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£
Renovation of The Paignton Picture House	5,000	-	(1,467)	-	3,533
Restoration of the stained-glass windows	5,000	-	-	-	5,000
Architectural Heritage project viability grant	-	-	(7,500)	7,500	-
Architectural Heritage project development grant	-	-	(11,485)	78,745	67,260
Architectural Heritage transformational project grant	-	45,029	-	-	45,029
Historic England repair grant	-	-	(2,815)	2,815	-
Torbay Economic Development Company grant	-	3,814	(3,814)	-	-
	<u>10,000</u>	<u>48,843</u>	<u>(27,081)</u>	<u>89,060</u>	<u>120,822</u>

The restricted funds held are:

- for the renovation and restoration of The Paignton Picture House;
- for the surveying and restoration of the stained-glass windows;
- The Architectural Heritage Fund grants for:
 - Early viability and feasibility work
 - Capital project development costs
 - Transformational capital projects
- Historic England repair grant for heritage at risk;
- Torbay Economic Development Company grant.

Prior year adjustment:

The transfers above into the restricted funds represent prior year adjustments to reflect grants awarded, but not drawn down, at 31 December 2019 that had not previously been recognised but have now been included in Debtors as accrued grant income. The comparatives have been restated accordingly.

THE PAIGNTON PICTURE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	50,000	-	50,000	50,000	-	50,000
Current assets/ (liabilities)	1,079	120,822	121,901	(309)	99,060	98,751
	<u>51,079</u>	<u>120,822</u>	<u>171,901</u>	<u>49,691</u>	<u>99,060</u>	<u>148,751</u>

12 Events after the reporting date

The trustees have been made aware that a grant of £1.285 million will be awarded to the trust by Torbay Council from The Future High Streets Fund as part of the plans for the regeneration of Paignton town centre. However at the date of approval of these financial statements, no formal notification of the award has been received and so this grant has not been included in accrued grant income at 31 December 2020.

13 Related party transactions

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

14 Cash generated from operations

	2020 £	2019 £
Surplus for the year	23,150	75,720
Adjustments for:		
Investment income recognised in statement of financial activities	(1)	(8)
Movements in working capital:		
(Increase) in debtors	(23,229)	(81,560)
Increase/(decrease) in creditors	13,052	(1,072)
Cash generated from/(absorbed by) operations	<u>12,972</u>	<u>(6,920)</u>

15 Analysis of changes in net funds

The trust had no debt during the year.