

c/o Artlink Centre for Community Arts

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**hull independent
cinema**

HULL INDEPENDENT CINEMA PROJECT

(A CHARITABLE INCORPORATED ORGANISATION)

Report and Financial Statements

Year ending 30 September 2020

Charity number: 1163544

Hull Independent Cinema Project, operating as Hull Independent Cinema, is a Charitable Incorporated Organisation (registration no 1163544) and is recognised as a charity for tax purposes by HM Revenue and Customs.

HIC is proudly supported by Film Hub North, part of the BFI Film Audience Network.

Film Hub **North**



Supported by
The National Lottery®

HULL INDEPENDENT CINEMA PROJECT

Trustees' annual report for the year ending 30 September 2020

The trustees are pleased to present their annual trustees' report together with the consolidated financial statements of the charity for the year ending 30 September 2020.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association (The Constitution) and *Accounting and Reporting by Charities: Statement of Recommended Practice* (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

Chair's Report

The year 1 October 2019 – 30 September 2020 saw the start of the Coronavirus global pandemic. Hull Independent Cinema Project (HIC) had to cease public film screenings with the lock-down in England from 23 March 2020 and was not in a position to restart screenings during the remainder of the financial year. The timing of the shutdown was particularly unfortunate as we had already scheduled a full programme of films for April to June, and had already incurred some costs relating to the season that we could not recover. However, we are in a strong financial situation, and with no property to maintain and no employees we have been able to weather this storm in far better shape than many of our friends in the independent cinema business and the wider arts and culture sector around the country.

As well as our regular weekly screening programme, Hull Film Festival and Dead of Night: Hull Horror Film Festival did not take place in 2020, and it is unlikely that Hull Film Festival, at least, will return in 2021. In fact right now, it is impossible to say when we might get back to screening films at all; there are so many variables outside our control, especially as we use venues owned by other organisations. Even when our venues reopen for their own activities we do not yet know if or when they will be open to third party screenings taking place. However, as I write this in February 2021 the UK vaccination programme seems to be progressing well, and we are hopeful that we will be able to welcome our audiences to watch a film with us at some point later this year.

HIC is led by a team of dedicated trustees, who are all undertaking the work of running and developing independent cinema in Hull voluntarily and in their spare time. The Trustee team has continued to keep in touch with its membership while film screenings have not been possible. The Trustees would like to extend their thanks to the number of members who have been in touch to offer their support and their hopes that HIC will be back soon – we hope so, too.

James Russell
Chair of Trustees

Our purposes and activities

The purposes of the charity are:

To advance the education of the public in the knowledge, understanding and appreciation of the art of film, in particular but not exclusively by:

- (a) the screening of films of artistic merit and educational value in and around the city of Kingston Upon Hull; and
- (b) establishing, maintaining and providing educational programmes, exhibition space and production facilities.

Our charity has considered its public benefit aims as a charity; we undertake screenings and work to further the understanding and appreciation of world, independent and art-house cinema on a non-profit basis. Our film screenings are priced so as to be as accessible as possible whilst covering the costs of screenings and enabling the charity to maintain reserves to provide financial resilience.

In order to meet our charitable purposes this year, we have planned and achieved:

- Maintaining the number of film screenings offered (until screenings ceased as a result of the Covid-19 emergency).
- Engaged audiences in conversation about film and our work as an organisation through film requests and a proactive social media and communications strategy, as well as gathering feedback data from individual screenings.
- Screened films based firstly on their artistic merits, rather than on their likely commercial success, while always having in mind the financial viability of film seasons and the organisation as a whole; and the need to balance reaching large audiences with the desire of many of our customers to see films that might be regarded as of more limited appeal.
- Once film screenings ceased, delivered a season of in-depth articles on our website based on what we had planned to screen during the April - June 2020 season, drawing parallels between our planned season and other films that our audiences might appreciate.
- Worked with BBC Radio Humberside to deliver a short series of radio articles discussing films with broad audience appeal on a range of themes to help people find and appreciate great cinema accessible to all on free-to-air television or free streaming services. Much of this content was delivered by HIC volunteers.
- Worked in partnership with Hull University School of Arts to pilot a series of film discussion groups, using Zoom to bring film audiences together to take part in a guided discussion on films typical of our programme.

Our screenings from 1 October 2019 – 30 September 2020 were as follows:

Screening type	No. of films/screenings	Total audience attendance
Full-length world, independent and art-house cinema film	29	1,809
Total	29	1,809

For comparison, our screenings from 1 October 2018 – 30 September 2019 were as follows:

Screening type	No. of films/screenings	Total audience attendance
Full-length world, independent and art-house cinema film	64	5,136
Short film screenings	3	102
Hull Film Festival 2018	16	424
Dead of Night - Hull Horror Film Festival 2018	8	403
Total	91	6,065

Financial review

In the current financial year our accounts show a deficit of £2,805. Our first two seasons before screenings were cancelled performed slightly below expectations, with average audiences of 62 compared to an average of 80 for the 64 regular screenings in the 2018-19 financial year. Some costs relating to the July-September 2019 season became payable in the 2019-20 financial year. Finally, with no screenings taking place since the end of March we have taken the decision to extend all membership expiry dates by a year at no charge (and will continue to do so until screenings restart); this has cost us around £2,200 in expected membership subscription income so far. However, this deficit was considerably less than the reserves held (more on our reserves policy below). Depending on when screenings start, it is likely that our 2020-2021 accounts will also show a deficit, but again this will be well within our reserves.

Reserves policy and going concern

Our current reserves policy is to retain as a reserve an amount sufficient to cover the costs of running the organisation and our regular weekly film programme for a period of six months. The benefits of such a policy have

been clearly demonstrated during the ongoing public health emergency, during which we have had no income beyond a small number of donations but have comfortably been able to use reserves to cover the deficit on screenings up to the end of March 2020, and our ongoing overhead costs such as website and email service hosting, public liability insurance, and so on. This policy is kept under review by the Trustees.

The charity has sufficient income and reserves after liabilities to prepare the accounts on a going concern basis.

Plans for the future period

We plan to restart its range of activities as soon as cinema screens reopen to third party events and we are satisfied that we can host film screenings while protecting the health and wellbeing of our audiences and volunteers.

In the medium term, we will seek to apply for sources of external funding to further the development of the organisation, with the long-term aim of securing a venue for the Hull Independent Cinema. There was disappointing news in 2020 when Hull's bid to the Government's Future High Streets Fund was not successful - we had been in conversation with Hull City Council and property owners in the Whitefriargate area with a view to using some of the Future High Street funding to help create a permanent venue for HIC. We continue to maintain relationships with the local authority, landowners and developers in the city and will explore other options over the coming year.

HIC is currently seeking to recruit new Trustees, and is exploring the possibility of creating an expert advisory board, with the aim of bringing people with new skills and experiences into the organisation and secure the long-term stability of the organisation's governance arrangements.

Reference and administrative details

Charity number: 1163544

Registered office: C/O Artlink, 87 Princes Avenue, Hull, HU5 3QP

Bankers: The Co-operative Bank, 1 Balloon Street, Manchester, M60 4EP
Hull and East Yorkshire Credit Union, 38 Brook Street, Hull, HU2 8LA

Trustees

Chair	James Russell
Trustees	Damien Greco
	Molly Hollinsworth
	Ellie Irwin
	Carla Ramsay (Honorary Treasurer and Company Secretary)
	Paul Terry

Hull Independent Cinema did not have any employees during 2019-20.

Structure, governance and management

HIC is governed by its Constitution and managed by a Trustee Board of up to twelve. Trustees may be elected, or appointed by the Trustee Board with that appointment confirmed by the members at the next AGM.

The Trustees are volunteers and do not receive any remuneration for their role as Trustees. They are paid expenses in accordance with HIC's Expenses Policy for any out of pocket expenses incurred as part of their duties.

At the 2020 AGM, the Trustees Molly Hollinsworth and Carla Ramsay retired by rotation and were re-elected. Their terms of office will expire according to the process set out in Clause 12 of our Constitution.

Trustees' responsibilities in relation to the financial statements

The charity Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The charity Trustees are required to prepare financial statements for each year that are a true and fair view of the state of affairs of the charitable organisation and the incoming resources and the application of those resources, including income and expenditure for that period. In preparing these financial statements, the trustees are required to:

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

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

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

Statement as to disclosure

In so far as the Trustees are aware at the time of approving our annual report:

- There is no relevant information discovered in preparing this report that is not disclosed in this document and
- The Trustees, having made enquiries of each other, have taken all steps that they are obliged to take as a Trustee in order to make themselves aware of any relevant information and to establish that they are aware of that information

By order of the board of trustees.

Signed:

A handwritten signature in black ink, appearing to read 'James Russell', is written over a light beige rectangular background.

James Russell (Chair), 31 March 2021

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CHARITY COMMISSION
FOR ENGLAND AND WALES

Hull Independent Cinema Project	No 1163544
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Receipts and payments accounts

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For the period from	01-Oct-19	To	30-Sep-20
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Section A Receipts and payments

	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £	Total funds to nearest £	Last year to nearest £
A1 Receipts					
Donations and legacies	31	-	-	31	50
Grants	-	-	-	-	-
<i>Income from charitable activities</i>	-	-	-	-	-
Film screenings and membership	10,862	-	-	10,862	43,363
Income from other sources	-	-	-	-	600
Investment income	-	-	-	-	-
Sub total (<i>Gross income for AR</i>)	10,893	-	-	10,893	44,013
A2 Asset and investment sales	-	-	-	-	-
Total receipts	10,893	-	-	10,893	44,013

A3 Payments

Salaries and staff costs	-	-	-	-	37.50
Screening expenditure	12,591	-	-	12,591	41,223
Core costs	1,107	-	-	1,107	1,650
Business development	-	-	-	-	-
Sub total	13,698	-	-	13,698	42,910

A4 Asset and investment purchases

-	-	-	-	-
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Total payments

13,698	-	-	13,698	42,910
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Net of receipts/(payments)

-2,805	-	-	-2,805	-
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A5 Transfers between funds

-	-	-	-	-
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A6 Cash funds last year end

14,713	-	-	14,713	13,609
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Cash funds this year end

11,908	-	-	11,908	14,713
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Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B1 Cash funds	Co-operative	7,827	-	-
	Credit Union	4,081	-	-
	Paypal	0	-	-
	Total cash funds	11,908	-	-

(agree balances with receipts and payments account(s))

		OK	OK	OK
		Unrestricted funds	Restricted funds	Endowment funds
		to nearest £	to nearest £	to nearest £
B2 Other monetary assets	Details None	-	-	-
B3 Investment assets	Details None	Fund to which asset belongs	Cost (optional)	Current value (optional)
B4 Assets retained for the charity's own use	Details None	Fund to which asset belongs	Cost (optional)	Current value (optional)
B5 Liabilities	Details None	Fund to which liability relates	Amount due (optional)	When due (optional)
Signed by one or two trustees on behalf of all the trustees	Signature 	Print Name James Russell	Date of approval 31 March 2021	

Notes on the accounts

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation or uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with the *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the Financial Reporting Standards for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policies note(s).

b) Preparation of the accounts on a going concern basis

The trustees are of the view that the trading and cash position of the organisation have secured the immediate future of the organisation for the next 12 to 18 months and on this basis the assessment of the trustees is that the charity is a going concern.

c) Income recognition policies

Items of income are recognised and are included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds
- Any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity
- There is sufficient certainty that receipt of the income is considered probable, and
- The amount can be measured reliably

d) Donated services and facilities

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

e) Interest receivable

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

f) Fund accounting

Unrestricted funds are available to expend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations or funding that the donor has specified are to be solely used for particular areas of the charity's work or specific artistic projects being undertaken by the organisation.

g) Expenditure

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

- Expenditure on charitable activities – includes the costs of film screenings and other activities undertaken to further the purposes of the charity

- Expenditure of organisational operations – these are the support costs that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, insurance, governance, etc, which support the charity’s charitable activities. The basis of support costs has been set out at note 10.

The charity’s turnover is not sufficient to be VAT registered. The charity pays VAT on all services received and goods purchased, except for a small number of exemptions on goods purchased as allowed by current VAT treatment set by HMRC.

h) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset category	Annual rate
Equipment	33%
Cabling and discs	50%

i) Any stock is included at cost or net realisable value. Donated items of stock are recognised on receipt at fair value, which is the amount the charity would have been willing to pay for the items on the open market.

j) Debtors

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

k) Cash at bank and in hand

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

l) Creditors and provisions

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

m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

2 Legal status of the organisation

Hull Independent Cinema Project is a Charitable Incorporated Organisation, registered with and regulated by the Charity Commission. It trades as Hull Independent Cinema. It was incorporated on 13 September 2015.