

c/o Artlink Centre for Community Arts

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HULL INDEPENDENT CINEMA PROJECT

(A CHARITABLE INCORPORATED ORGANISATION)

Report and Financial Statements

Year ending 30 September 2021

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**



## **HULL INDEPENDENT CINEMA PROJECT**

### **Trustees' annual report for the year ending 30 September 2021**

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 2021.

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**

Hull Independent Cinema (HIC) was closed throughout the year 1 October 2020 to 30 September 2021, the period covered by this report. While Government regulations did allow cinemas to reopen for part of this period, our Trustee Board decided that because we use third-party venues and programme our films in seasons rather than week to week, it was prudent to remain closed until we had more certainty about when we would be able to programme a season of films without fearing that new regulations would come in that would see work, expense and ticket sales wasted.

It was also, to be frank, an opportunity for the small team of volunteers who manage and run every aspect of HIC to take a break – working on HIC is a significant, unpaid, commitment on top of our family responsibilities, jobs and social lives, and one we've been working on since our first film screening in 2014. An enforced break was in many ways no bad thing.

We also continued to give our members a break from paying for something they could not benefit from, extending membership expiry dates to cover the entire period of our closure.

But we haven't been entirely idle this year – acknowledging how welcome a break was for many of the team was also a prompt for us all, and for me as Chair in particular, to spend some time addressing how to expand our capacity and fill some gaps in our experience and skills, a process which has started to bear fruit with the appointment of Laura Beddows as a new Trustee in December 2021 (just after the period covered by this report). I am confident that more developments in improving this aspect of how HIC operates will be something I am able to report on this time next year.

By the end of the period covered by this report, September 2021, we had made the decision to start showing films again before the end of the year, and planning was well under way for a two-month season of films in November and December. As I write this report in early February 2022 we have been back showing films to audiences for three months, with audiences responding in good numbers to the combination of great independent, crossover, foreign-language, silent and other specialist film that characterises what is best about Hull Independent Cinema.

I want to finish by thanking our members and audiences for the support they have given to us over this strange period where we've not been able to do anything – we're all so pleased that we're now back bringing you great films that you can't see anywhere else. Thank you also to our great volunteers, so many of whom have been keen to get involved in supporting our screenings as soon as possible. And I most of all want to thank my colleagues on our Board of Trustees, without whom Hull Independent Cinema would not exist, much less be able to deliver such great programmes to our audiences (once the opportunity to do so returns). I know that we've all appreciated the chance to take some time out and concentrate on other priorities during this difficult time, but we can't wait to make 2021 – 2022 a brilliant year for HIC.

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 educative 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.

We have been unable to carry out our core activities to meet our charitable objectives this year because of the ongoing Covid emergency. However, we have:

- Maintained contact with our customers and members
- Worked to improve the resilience of the organisation and fill skills gaps among the Board by actively seeking new members of the Trustee Board and continuing work to develop our planned advisory body
- Maintained contact with our venues, partners and distributors in order to plan a return to regular screening with a season of films commencing in November 2021

## **Financial review**

In the current financial year our accounts show a surplus position. The organisation has cash reserves in its current account and reserve account that covered the back-office costs still incurred during the year without any income-generating activities. In addition, the organisation received income on the last day of the previous financial year (payment of £2,123.09 on 30 September 2020), which alone covered the outgoing payments in this reporting year of 2020-21 necessary to maintain the organisation (costs such as insurance, membership database, email service, website registration and email database)

## **Reserves policy and going concern**

Our current reserves policy is to retain 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 put in place plans to restart cinema screenings in November 2021; this is possible due to national restrictions being lifted, our partner organisations having Covid-secure processes in place, and on the basis of our communication with customers, many of whom have indicated that they wish to start attending film screenings in person again.

We have worked to engage potential new Trustees or members of a possible advisory body, and will continue to do so in the forthcoming year in order to improve the resilience of the organisation and to fill skills and experience gaps in the existing Trustee Board. Plans to establish an advisory body made up of people with contacts, skills and experiences that are of benefit to the organisation but who do not wish to become involved in the day-to-day management of HIC as Trustees will be relaunched in the coming year.

## 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 (Chair of Trustees)
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 2020-21.

## 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 2021 AGM, the Trustees Ellie Irwin and Paul Terry 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)**, 2 February 2022

**LEFT PURPOSELY BLANK**



CHARITY COMMISSION  
FOR ENGLAND AND WALES

Hull Independent Cinema Project

No 1163544

## Receipts and payments accounts

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For the period  
from

01-Oct-2020

To

30-Sep-2021

### 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 £
<b>A1 Receipts</b>					
Donations and legacies	46	-	-	46	31
Grants	-	-	-	-	-
<i>Income from charitable activities</i>		-	-		-
Film screenings and membership	481	-	-	481	10,862
Income from other sources	73	-	-	73	
Investment income	-	-	-	-	-
<b>Sub total (Gross income for AR)</b>	600	-	-	600	10,893
<b>A2 Asset and investment sales</b>	-	-	-	-	-
<b>Total receipts</b>	600	-	-	600	10,893

**A3 Payments**

Salaries and staff costs	-	-	-	-	-
Screening expenditure	-	-	-	-	12,591
Core costs	1318	-	-	1318	1,107
Business development	-	-	-	-	-
<b>Sub total</b>	<b>1318</b>	<b>-</b>	<b>-</b>	<b>1318</b>	<b>13,698</b>

**A4 Asset and investment purchases**

-	-	-	-	-
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<b>Total payments</b>	<b>1318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,698</b>
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<b>Net of receipts/(payments)</b>	<b>-718</b>		<b>-</b>		<b>-2,805</b>
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<b>A5 Transfers between funds</b>	<b>3,705</b>	<b>-</b>	<b>-</b>		
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<b>A6 Cash funds last year end</b>	<b>11,908</b>		<b>-</b>		<b>14,713</b>
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<b>Cash funds this year end</b>	<b>14,895</b>		<b>-</b>		<b>11,908</b>
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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 £
<b>B1 Cash funds</b>	Co-operative Bank (current account)	7439	-	-
	Hull and East Yorkshire Credit Union (reserve account)	7385	-	-
	Paypal	71	-	-
	<b>Total cash funds</b>	<b>14,895</b>	-	-
	(agree balances with receipts and payments account(s))	OK	OK	OK
		Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
<b>B2 Other monetary assets</b>	Details None	-	-	-
<b>B3 Investment assets</b>	Details None	Fund to which asset belongs	Cost (optional)	Current value (optional)
			-	-
<b>B4 Assets retained for the charity's own use</b>	Details None	Fund to which asset belongs	Cost (optional)	Current value (optional)
			-	-
	Details	Fund to which liability relates	Amount due (optional)	When due (optional)

**B5 Liabilities**

None

Signed by one or two trustees on behalf  
of all the trustees

Signature



Print Name

James Russell

Date of  
approval

2 February 2022

## 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:

<b>Asset category</b>	<b>Annual rate</b>
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.