

Charity registration number: 1167284

The Market Hall Cinema And Arts Trust

Annual Report and Financial Statements

for the Year Ended 30 June 2021

HSJ Accountants Limited
Severn House
Hazell Drive
Newport
NP10 8FY



Charity Commission

Chair's Annual Report for the period:

01/07/2020 to 30/06/2021

Section A

Reference and Administration

Charity name – The Market Hall Cinema and Arts Trust

Other names the charity is known by – N/A

Registered Charity Number – 1167284

Charity's Principal Address –

The Market Hall Cinema,

Market Square

Brynmawr

Blaenau Gwent

Postcode – NP23 4AJ

Name of person (or body) entitled to appoint Trustee (if any)

Names of the charity Trustees who manage the charity –

Beth Watkins – Chair

Lorraine Powell – Secretary

Andrea Durban – Treasurer

Brent Durban – Business Support

Ian Cowley – Business Support

Daniel Perkins – Legal

Eifion Davies – Welsh Language/Heritage

Julian Gardener – Culture and Arts Advisor

Section B

Structure, governance and management

Type of governing document - CIO Foundation

How the charity is constituted - Trust CIO

Trustee selection methods

Initially selected from Community Group members (those that wished to be selected), subsequent Trustees are proposed, reviewed and elected by (e.g. appointed by, elected by...) majority voting of the other Trustees (subject to a quorum).

Additional governance issues (Optional)

Trustee training/Induction

All Trustees on an annual basis are expected to engage with additional information or specific training to ensure they fully understand their duties and responsibilities as Trustees. On first becoming a Trustee individuals are provided with all the latest documentation from www.gov.uk/government/organisations/charity-commission and overviews and financial processes. Policies and procedures. New Trustees are offered peer support from longstanding Trustees. The charity at the present moment is a standalone organisation.

Organisational Structure - consists of A Chair and Trustees who are allocated roles and responsibilities subject to the charity's organisational needs, the Trustees expertise, interests and wishes. The charity also has a non-voting member structure and a wider member base that advises on areas of particular need at any point in time, including Health and Safety, Grant Applications.

Risk

A major risk is the management of the cinema's revenue base and any parties' inability to continue to generate revenue. A number of personnel have been fully trained and have become competent in multiple tasks so as to spread the risk of a single point of failure. This wider skills base will continue to develop in line with the charity's development.

Section C

Objectives and activities

Summary of the objects of the charity set out in its governing document

The charitable intent and aspirations of the Market Hall project were, from the outset based on all financial resources being utilised to reasonably advance the cultural objectives of the Trustees and staff and volunteers. The community group taking acquisition of the historic cinema/theatre as an asset from the local authority allowed immediate program redevelopment and cultural objectives being put in place for public benefit. The intention was to build a financially strong business model based around an income generating cinema that would 'subsidise' and co-fund community arts and cultural projects/provision as well as developing social inclusion/cohesion through the art form of film itself and the cinema's delivery to the local populace. The overall plan was that the cinema could trading arm for the community group to achieve it's cultural, artistic and charitable goals, working in conjunction with partner organisations, the Market Hall Community Group and other

charities/organisations and individuals were to deliver projects and events both charged and free at the point of entry for the general public. Charitable objects/goals are as follows:

- The advancement of the Arts as a charitable purpose
- The advancement of cultural industries development for public benefit
- The advancement of Arts education for the public benefit To Preserve Wales' Oldest Cinema for the public benefit, through the provision of an Educational program, Cinema & Arts delivery within the Borough of Blaenau Gwent
- To promote public understanding and appreciation of the Arts
- To develop Cultural and Artistic activities and engagements
- To educate and engage the community through cultural development
- Ensuring an 'access for all' Arts policy thus helping to break down social exclusion using Cinema, the Arts and culture as a tool for engagement and participation

Goals

- The advancement of Culture by providing access & provision to the arts music & cultural pursuits in one of the most deprived areas in the UK
 - Addressing Arts & Culture access that is currently unavailable to the local populace
 - Empowering people and helping to strengthen the local economy by providing new skill sets and greater social well-being opportunities via cultural development, many of which that offer 'real life' experiences imitating those within the industry itself
 - The advancement of educational access to the cinematic arts via a 'Film School Of The Valleys' program to be expanded
 - To establish and maintain the cinema for the benefit of the public and to utilise profits to subsidise arts & cultural pursuits
 - To promote Culture for the benefit of the public by the re-establishment and maintenance of the Cinema, Theatre & venue utilising profits from ticket sales to develop projects, the general public, the venue & infrastructure
 - To advance Cultural education by the establishment and maintenance of a Cinema, Theatre & venue, working with funding bodies to deliver programs/projects
 - To promote social inclusion for the public benefit by preventing people from becoming artistically, culturally & socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society via cultural participation.
 - To develop a future 'Arts Hub' based around the Market Hall, working with partners including the Local Authority, Arts Council Wales, Welsh Government and other charities such as Community Music Wales, Zoom Cymru, Film Hub Wales etc, to achieve the goal
 - The provision and maintenance of the Cinema/Theatre for the use of the inhabitants of [area of benefit] without distinction of political, religious or other opinions. Including use for:
1. Development of the cinematic arts (FSV)
 2. Workshops & Training programs
 3. Educational arts practice
 4. Exhibitions
 5. Live Music events
 6. Amateur Dramatics & theatre groups
 7. Free film and cinema events
 8. Comedy performance & workshops

9. Developing a 'Film School of the Valleys' programme
10. Free access to training via funded projects
11. To develop a 'Blaenau Gwent 'Arts Village' pilot program funded by the Ashley Family Foundation in to a three year program/project.
12. Other forms of recreation and leisure time occupation, with the object of improving the conditions of life for the inhabitants of Blaenau Gwent and the surrounding areas

Film & Cultural Provision For Public Benefit

The Market Hall has provided substantial Film, Arts & Cultural opportunities for public benefit, over the period during which the Charity have run the historical venue. Using the arts as a tool of engagement and participation are key values that the Market Hall aspires to achieve. Utilising these as a means of widening access to the arts and culture is essential, while ensuring a practical “access for all” delivery policy is achieved, thus helping to aid the breakdown of social exclusion. Cultural development is a key tool in heightening arts activity in light of Governmental cuts, aiming to help fight poverty in the area by using the arts and cultural industries to raise the aspirations of not only the participants themselves, but also the local populace as a whole. As stated in the Welsh Governments 'Culture & Poverty Document 2014 'By identifying access to and participation in the arts, culture and heritage as an aspect of social justice itself and a powerful weapon against poverty, in all its manifest forms, the Welsh Government has made it clear that it understands the role played by culture in making us the sort of people we are and the people we want to be' Baroness kay Andrews OBE

The project seeks to reinforce and bridge the inclusion of cultural activity outside the states parameters within Blaenau Gwent and the surrounding areas, highlighting good practice and looking for positive ways in which to encourage participation. Thus enabling The Market Hall as a Cultural Organisation to work more collaboratively with other sectors both within film, the arts, cultural provision and audience development. 'Several studies found that arts involvement helped to bolster the academic achievement levels of young people from disadvantaged backgrounds' Professor Dai Smith

Summary of the main activities undertaken for the public benefit in relation to these objects (include within this section the statutory declaration that Trustees have had regard to the guidance issued by the Charity Commission on public benefit)

Section D

Achievements and Performance

As a result of the Covid-19 pandemic and the cinema closure, all activities were suspended. However, time wasn't wasted. We continued to engage with our customers via social media and were able to remain in close contact with our volunteers and paid staff.

As a result of a variety of grants from Blaenau Gwent County Borough Council and Welsh Government, we were able to invest in an inclusive automated projection cinema which will allow us to ensure that our visually and hearing impaired customers are able to attend main stream screenings. We have installed a hearing and visual impairment (audio description) facility during the closure.

Our toilet facilities including our accessible toilet, have been fully refurbished along with our staff facilities.

Paid staff were placed on furlough for the closure period whilst we were able to support a self-employed member of the team with advice and guidance on additional payments and training opportunities.

The decision was taken to remain closed until the social distancing regulations were reduced. This decision was not taken lightly as our customers were waiting eagerly for us to reopen our doors.

Section E

Financial Review

Reserves are predominantly for reinvestment purposes, primarily into the refurbishment of the adjoining building which will be used as a second screen. This second screen will enable us to show a wider variety of film including that from independent film makers, art house and foreign language films. We endeavour to maintain a contingency fund which will ensure continuance of the activities during any closure (enforced or weather related). Reserves will also be used to develop further training opportunities for volunteers including those from minority groups. During the closure period we were lucky to be able to benefit from many local and regional support grants for business and arts and culture.

Section F

Other optional information

Principal source of funds are the revenue from running the cinema as a commercial operation, less costs etc., in addition donations and additional information, where sponsorships are solicited both on long term and short term basis. relevant about:

- the charity's principal


Many of the charity's community activities are funded out of the day to sources of funds (including day revenue and costs rather than a specific project budget. any fundraising); how expenditure has supported the key objectives of the charity; investment policy and objectives including any ethical investment policy adopted.

Section G

Declaration The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)



Beth Watkins – Chair

The Market Hall Cinema And Arts Trust

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The Market Hall Cinema And Arts Trust

Independent Examiner's Report to the trustees of The Market Hall Cinema And Arts Trust

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 June 2021 which are set out on pages 2 to 11.

Respective responsibilities of trustees and examiner

As the charity's trustees of The Market Hall Cinema And Arts Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the The Market Hall Cinema And Arts Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of The Market Hall Cinema And Arts Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Andrew Hill
FCCA DChA

Severn House
Hazell Drive
Newport
NP10 8FY

26 August 2021

The Market Hall Cinema And Arts Trust

Statement of Financial Activities for the Year Ended 30 June 2021

	Note	Unrestricted funds £	Total 2021 £
Income and Endowments from:			
Donations and legacies		803	803
Charitable activities		106,423	106,423
Other trading activities		23,936	23,936
Total income		<u>131,162</u>	<u>131,162</u>
Expenditure on:			
Raising funds		(44,887)	(44,887)
Charitable activities		(42,800)	(42,800)
Total expenditure		<u>(87,687)</u>	<u>(87,687)</u>
Net movement in funds		43,475	43,475
Reconciliation of funds			
Total funds brought forward		<u>14,575</u>	<u>14,575</u>
Total funds carried forward	14	<u>58,050</u>	<u>58,050</u>
	Note	Unrestricted funds £	Total 2020 £
Income and Endowments from:			
Donations and legacies		512	512
Charitable activities		20,086	20,086
Other trading activities		186,078	186,078
Investment income	5	<u>361</u>	<u>361</u>
Total income		<u>207,037</u>	<u>207,037</u>
Expenditure on:			
Raising funds		(155,052)	(155,052)
Charitable activities		(45,813)	(45,813)
Total expenditure		<u>(200,865)</u>	<u>(200,865)</u>
Net movement in funds		6,172	6,172
Reconciliation of funds			
Total funds brought forward		<u>8,403</u>	<u>8,403</u>
Total funds carried forward	14	<u>14,575</u>	<u>14,575</u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2020 is shown in note 14.

The Market Hall Cinema And Arts Trust

(Registration number: 1167284)

Balance Sheet as at 30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	14,612	2,774
Current assets			
Debtors	11	7,202	1,911
Cash at bank and in hand		<u>85,331</u>	<u>45,912</u>
		92,533	47,823
Creditors: Amounts falling due within one year	12	<u>(25,019)</u>	<u>(7,110)</u>
Net current assets		<u>67,514</u>	<u>40,713</u>
Total assets less current liabilities		82,126	43,487
Creditors: Amounts falling due after more than one year	13	<u>(24,076)</u>	<u>(28,912)</u>
Net assets		<u>58,050</u>	<u>14,575</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>58,050</u>	<u>14,575</u>
Total funds	14	<u>58,050</u>	<u>14,575</u>

The financial statements on pages 2 to 11 were approved by the trustees, and authorised for issue on 26 August 2021 and signed on their behalf by:



.....
Beth Watkins
Chairman and Trustee

The Market Hall Cinema And Arts Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

The Market Hall Cinema And Arts Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Other trading activities

Income arising from cinema trading activities is recognised, net of VAT, upon receipt.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

The Market Hall Cinema And Arts Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	15% Straight line

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

The Market Hall Cinema And Arts Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2021	2020
		£	£
Donations and legacies;			
Donations from individuals	803	803	512
	<u>803</u>	<u>803</u>	<u>512</u>

3 Income from charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2021	2020
		£	£
Covid-19 Grant & CJRS Income	106,423	106,423	20,086
	<u>106,423</u>	<u>106,423</u>	<u>20,086</u>

The Market Hall Cinema And Arts Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

4 Income from other trading activities

	Unrestricted funds		
	General	Total	Total
	£	2021	2020
		£	£
Trading income;			
Cinema admission, confectionary sales and advertising	8,736	8,736	186,078
Other income;			
Insurance claim received	15,200	15,200	-
	<u>23,936</u>	<u>23,936</u>	<u>186,078</u>

5 Investment income

	Total	Total
	2021	2020
	£	£
Interest receivable and similar income;		
Interest receivable on bank deposits	<u>-</u>	<u>361</u>

The Market Hall Cinema And Arts Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds		
	General	Total	Total
	£	2021	2020
		£	£
Independent examiner fees			
Examination of the financial statements	1,550	1,550	1,500
Legal fees	12,745	12,745	16,258
	<u>14,295</u>	<u>14,295</u>	<u>17,758</u>

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Staff costs during the year were:		
Wages and salaries	<u>35,838</u>	<u>43,388</u>

No employee received emoluments of more than £60,000 during the year

The Market Hall Cinema And Arts Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 July 2020	3,469	3,469
Additions	12,597	12,597
At 30 June 2021	16,066	16,066
Depreciation		
At 1 July 2020	695	695
Charge for the year	759	759
At 30 June 2021	1,454	1,454
Net book value		
At 30 June 2021	14,612	14,612
At 30 June 2020	2,774	2,774

11 Debtors

	2021 £	2020 £
Other debtors	7,202	1,911

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,635	(152)
Other loans	4,836	4,836
Accruals	17,548	2,426
	25,019	7,110

13 Creditors: amounts falling due after one year

	2021 £	2020 £
Other loans	24,076	28,912

The Market Hall Cinema And Arts Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

14 Funds

	Balance at 1 July 2020 £	Incoming resources £	Resources expended £	Balance at 30 June 2021 £
Unrestricted funds				
General	<u>(14,575)</u>	<u>(131,162)</u>	<u>87,687</u>	<u>(58,050)</u>
	Balance at 1 July 2019 £	Incoming resources £	Resources expended £	Balance at 30 June 2020 £
Unrestricted funds				
General	<u>(8,403)</u>	<u>(207,037)</u>	<u>200,865</u>	<u>(14,575)</u>

The Market Hall Cinema And Arts Trust

Notes to the Financial Statements for the Year Ended 30 June 2021

15 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Tangible fixed assets	14,612	14,612
Current assets	92,533	92,533
Current liabilities	(25,019)	(25,019)
Creditors over 1 year	(24,076)	(24,076)
Total net assets	<u>58,050</u>	<u>58,050</u>