

**Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2022
for
Harwich Electric Palace Trust**

JTF
Chartered Certified Accountants
195 Main Road
Dovercourt
Harwich
Essex
CO12 3PH

Harwich Electric Palace Trust

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for the Year Ended 31 December 2022**

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Harwich Electric Palace Trust

Report of the Trustees for the Year Ended 31 December 2022

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's main aim is to preserve the Harwich Electric Palace cinema in terms of both the structure and its functioning as a working cinema.

Significant activities

The charity's main activity is the operation of the building as a cinema and theatre. The cinema re-opened in April 2022 after 4 years of major restoration work.

Public benefit

Through its subsidiary company, the charity provides a cinema and theatre for the small Essex town of Harwich. The charity also works to preserve the historic building for the benefit of future generations.

Grantmaking

The charity does not make grants to other institutions or individuals.

Volunteers

The charity relies on the support of around 40 volunteers whose roles cover managers, helpers, sales personnel, finance and trustees.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The cinema was closed from 2018 until its re-opening in April 2022 following a detailed project to complete a £1.7m programme of restoration and repair work. The work primarily consisted of repairs to the ceiling, the removal of asbestos, repairs to seating and a new heating system. The work programme was interrupted for several weeks due the impact of the Covid 19 pandemic, but the cinema successfully re-opened in April 2022, and continues to be open to the public.

Fundraising activities

Most of our funding comes from national organisations but many other regional and local bodies have assisted with grants and a loan facility. The major restoration project was completed in 2022, thanks to significant funding support from both the National Lottery Heritage Fund and Historic England.

The charity also runs live music and entertainment events to raise funds to cover the ongoing costs of maintaining the property.

FINANCIAL REVIEW

Financial position

At the end of the year, the charity had net assets in the sum of £108,260 and this also included grant funding from the main restoration project to support new community activities such as dementia and autism showings, and comedy and music events. Following the re-opening of the building in Spring 2022, there has been and will be a need to continue to maintain and replenish the charity's reserves through trading surpluses achieved by the charity's subsidiary company and other fundraising.

Principal funding sources

The charity has been substantially funded by the National Lottery Heritage Fund and Historic England and further funding has been provided since the end of the year. A total in the region of £1.7 million will have been received by the time the restoration project has been completed.

FINANCIAL REVIEW

Reserves policy

The trustees aim to hold reserves at a level to cover the costs of operating the charity for a period of three months plus an additional amount which is retained in case any urgent repairs are required which cannot be met from surpluses generated by its subsidiary company in the operation of the cinema. The trustees consider that the current level of funds are sufficient for this but that additional surpluses may need to be raised should we consider developing and maintaining the building and its archive assets further.

FUTURE PLANS

Further to the re-opening of the building in Spring 2022, the primary focus has been to work with grant funders to complete the linked activities related programme to broaden the appeal of the cinema to the local community. The charity continues to look to run a profitable underlying cinema operation and to raise funds to support both community events and heritage initiatives linked to the building.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by its constitution adopted on July 2017 as amended by dated 22 September 2017.

Recruitment and appointment of new trustees

The charity undertook a Governance Review in 2022 via a professional business consultant and as a result appointed 4 new trustees with various different skills and experiences in terms of finance, fundraising and business and museum activities.

Organisational structure

The trustees (currently 12) formally meet every two months. Day to day matters are delegated to a number of the trustees, including the three directors of the charity's subsidiary company. The directors are also trustees of the charity.

Related parties

The charity undertakes the operation of the cinema through its subsidiary company, Electric Palace (Harwich) Limited

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1174807

Principal address

The Electric Palace
Kings Quay Street
Marine Parade
Harwich
Essex
CO12 3ER

Harwich Electric Palace Trust

Report of the Trustees for the Year Ended 31 December 2022

Trustees

C Crawford

J C M Strachan

D T Looser

S Daish (resigned 18.10.22)

A Rendell-Knights

D Foster

R J A Askew

P Hartwell

J Hewitt (appointed 18.10.22)

R H Bench (appointed 20.9.22)

A K Fullarton (appointed 20.9.22)

D Garner (appointed 20.9.22)

J Askew (appointed 1.9.22) (resigned 22.5.23)

Independent Examiner

P J T Frost

JTF

Chartered Certified Accountants

195 Main Road

Dovercourt

Harwich

Essex

CO12 3PH

Approved by order of the board of trustees on 20 September 2023 and signed on its behalf by:

A K Fullarton - Trustee

Independent Examiner's Report to the Trustees of Harwich Electric Palace Trust

Independent examiner's report to the trustees of Harwich Electric Palace Trust

I report to the charity trustees on my examination of the accounts of Harwich Electric Palace Trust (the Trust) for the year ended 31 December 2022.

Responsibilities and basis of report

As the charity trustees of the 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 Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all 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 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 applicable 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.

P J T Frost

JTF

Chartered Certified Accountants

195 Main Road

Dovercourt

Harwich

Essex

CO12 3PH

20 September 2023

Harwich Electric Palace Trust

Statement of Financial Activities for the Year Ended 31 December 2022

		Unrestricted fund £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM	Notes				
Donations and legacies	2	2,941	-	2,941	2,957
Charitable activities	4				
Preservation of the Electric Palace cinema		-	197,483	197,483	97,213
Other trading activities	3	25,114	-	25,114	-
Other income		429	-	429	1,716
Total		<u>28,484</u>	<u>197,483</u>	<u>225,967</u>	<u>101,886</u>
EXPENDITURE ON					
Raising funds	5	12,180	-	12,180	-
Charitable activities	6				
Preservation of the Electric Palace cinema		24,110	209,931	234,041	124,422
Total		<u>36,290</u>	<u>209,931</u>	<u>246,221</u>	<u>124,422</u>
NET INCOME/(EXPENDITURE)		(7,806)	(12,448)	(20,254)	(22,536)
RECONCILIATION OF FUNDS					
Total funds brought forward		81,250	47,264	128,514	151,050
TOTAL FUNDS CARRIED FORWARD		<u>73,444</u>	<u>34,816</u>	<u>108,260</u>	<u>128,514</u>

The notes form part of these financial statements

Harwich Electric Palace Trust

Balance Sheet 31 December 2022

	Notes	Unrestricted fund £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
FIXED ASSETS					
Tangible assets	11	2,915	-	2,915	2,192
Investments	12	100	-	100	100
		<u>3,015</u>	<u>-</u>	<u>3,015</u>	<u>2,292</u>
CURRENT ASSETS					
Debtors	13	42,164	-	42,164	38,063
Cash at bank		29,945	34,816	64,761	89,275
		<u>72,109</u>	<u>34,816</u>	<u>106,925</u>	<u>127,338</u>
CREDITORS					
Amounts falling due within one year	14	(1,680)	-	(1,680)	(1,116)
NET CURRENT ASSETS		<u>70,429</u>	<u>34,816</u>	<u>105,245</u>	<u>126,222</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>73,444</u>	<u>34,816</u>	<u>108,260</u>	<u>128,514</u>
NET ASSETS		<u>73,444</u>	<u>34,816</u>	<u>108,260</u>	<u>128,514</u>
FUNDS	15				
Unrestricted funds				73,444	81,250
Restricted funds				34,816	47,264
TOTAL FUNDS				<u>108,260</u>	<u>128,514</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 20 September 2023 and were signed on its behalf by:

D T Looser - Trustee

A K Fullarton - Trustee

The notes form part of these financial statements

Harwich Electric Palace Trust

Cash Flow Statement for the Year Ended 31 December 2022

	Notes	31.12.22 £	31.12.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(23,706)</u>	<u>20,477</u>
Net cash (used in)/provided by operating activities		<u>(23,706)</u>	<u>20,477</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(808)</u>	<u>(225)</u>
Net cash used in investing activities		<u>(808)</u>	<u>(225)</u>
Change in cash and cash equivalents in the reporting period		<u>(24,514)</u>	<u>20,252</u>
Cash and cash equivalents at the beginning of the reporting period		<u>89,275</u>	<u>69,023</u>
Cash and cash equivalents at the end of the reporting period		<u><u>64,761</u></u>	<u><u>89,275</u></u>

The notes form part of these financial statements

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.22	31.12.21
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(20,254)	(22,536)
Adjustments for:		
Depreciation charges	85	33
(Increase)/decrease in debtors	(4,101)	42,674
Increase in creditors	564	306
	<u>(23,706)</u>	<u>20,477</u>
Net cash (used in)/provided by operations	<u>(23,706)</u>	<u>20,477</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank	89,275	(24,514)	64,761
	<u>89,275</u>	<u>(24,514)</u>	<u>64,761</u>
Total	<u>89,275</u>	<u>(24,514)</u>	<u>64,761</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Charitable activities

In the opinion of the Trustees, the charity has only one activity being the preservation of the Harwich Electric Palace cinema. In addition, all fund raising activities and governance matters, with the exception of the Independent Examiner's fees are dealt with by the Trustees and other volunteers at no cost to the charity. Therefore all support costs are considered to be in relation to the preservation of the Harwich Electric Palace cinema.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Equipment - 15% on cost

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

2. DONATIONS AND LEGACIES

	31.12.22	31.12.21
	£	£
Subscriptions and donations	2,917	2,897
Gift aid	24	60
	<u>2,941</u>	<u>2,957</u>

3. OTHER TRADING ACTIVITIES

	31.12.22	31.12.21
	£	£
Fundraising events	318	-
Wedding income	1,770	-
Hire income	1,420	-
Membership income	3,306	-
Concert and show income	18,200	-
Advertising income	100	-
	<u>25,114</u>	<u>-</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.12.22	31.12.21
	£	£
Grants	197,483	97,213

Grants received, included in the above, are as follows:

	31.12.22	31.12.21
	£	£
National Heritage Lottery Fund	141,260	-
Historic England	47,546	75,646
Harwich Town Council	-	17,907
Cause4 Heritage Compass	-	3,660
Grant for Education Officer	2,905	-
Young Film Programmers project	5,772	-
	<u>197,483</u>	<u>97,213</u>

5. RAISING FUNDS

Fundraising events

	31.12.22	31.12.21
	£	£
Wedding costs	2,609	-
Film Hire	6,256	-
Entertainers' fees and expenses	3,315	-
	<u>12,180</u>	<u>-</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 7) £	Support costs (see note 8) £	Totals £
Preservation of the Electric Palace cinema	<u>188,800</u>	<u>39,453</u>	<u>5,788</u>	<u>234,041</u>

7. GRANTS PAYABLE

	31.12.22	31.12.21
	£	£
Preservation of the Electric Palace cinema	<u>39,453</u>	<u>17,671</u>

The total grants paid to institutions during the year was as follows:

	31.12.22	31.12.21
	£	£
Electric Palace (Harwich) Limited	<u>39,453</u>	<u>17,671</u>

8. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Totals £
Preservation of the Electric Palace cinema	<u>61</u>	<u>675</u>	<u>5,052</u>	<u>5,788</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,957	-	2,957
Charitable activities			
Preservation of the Electric Palace cinema	17,907	79,306	97,213
Other income	1,716	-	1,716
Total	<u>22,580</u>	<u>79,306</u>	<u>101,886</u>
EXPENDITURE ON			
Charitable activities			
Preservation of the Electric Palace cinema	<u>92,380</u>	<u>32,042</u>	<u>124,422</u>
NET INCOME/(EXPENDITURE)	(69,800)	47,264	(22,536)
RECONCILIATION OF FUNDS			
Total funds brought forward	151,050	-	151,050
TOTAL FUNDS CARRIED FORWARD	<u><u>81,250</u></u>	<u><u>47,264</u></u>	<u><u>128,514</u></u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment £	Totals £
COST			
At 1 January 2022	2,000	65,965	67,965
Additions	-	808	808
At 31 December 2022	2,000	66,773	68,773
DEPRECIATION			
At 1 January 2022	-	65,773	65,773
Charge for year	-	85	85
At 31 December 2022	-	65,858	65,858
NET BOOK VALUE			
At 31 December 2022	2,000	915	2,915
At 31 December 2021	2,000	192	2,192

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2022 and 31 December 2022	100
NET BOOK VALUE	
At 31 December 2022	100
At 31 December 2021	100

There were no investment assets outside the UK.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22 £	31.12.21 £
Funds held by subsidiary	42,164	38,063

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Trade creditors	-	408
Other creditors	1,680	708
	<u>1,680</u>	<u>1,116</u>

15. MOVEMENT IN FUNDS

	At 1.1.22	Net movement in funds	At 31.12.22
	£	£	£
Unrestricted funds			
General fund	81,250	(7,806)	73,444
Restricted funds			
Refurbishment project	45,100	(10,284)	34,816
William Freize Green Project	304	(304)	-
Cause4 Heritage Compass	1,860	(1,860)	-
	<u>47,264</u>	<u>(12,448)</u>	<u>34,816</u>
TOTAL FUNDS	<u>128,514</u>	<u>(20,254)</u>	<u>108,260</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	28,484	(36,290)	(7,806)
Restricted funds			
Refurbishment project	188,806	(199,090)	(10,284)
William Freize Green Project	-	(304)	(304)
Cause4 Heritage Compass	-	(1,860)	(1,860)
Grant Education Officer	2,905	(2,905)	-
Young Film Programmers Project	5,772	(5,772)	-
	<u>197,483</u>	<u>(209,931)</u>	<u>(12,448)</u>
TOTAL FUNDS	<u>225,967</u>	<u>(246,221)</u>	<u>(20,254)</u>

15. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	151,050	(69,800)	81,250
Restricted funds			
Refurbishment project	-	45,100	45,100
William Freize Green Project	-	304	304
Cause4 Heritage Compass	-	1,860	1,860
	-	47,264	47,264
TOTAL FUNDS	151,050	(22,536)	128,514

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	22,580	(92,380)	(69,800)
Restricted funds			
Refurbishment project	75,646	(30,546)	45,100
William Freize Green Project	1,800	(1,496)	304
Cause4 Heritage Compass	1,860	-	1,860
	79,306	(32,042)	47,264
TOTAL FUNDS	101,886	(124,422)	(22,536)

16. RELATED PARTY DISCLOSURES

The charity is provided with administration services by its subsidiary company. The amount charged in the year was in the sum of £7,200 (2021: £6,000).

Due to the refurbishment work undertaken in the previous year, the subsidiary company was not able to operate as a cinema and therefore the annual licence fee was waived by the charity for both 2022 and 2021.

Harwich Electric Palace Trust**Detailed Statement of Financial Activities
for the Year Ended 31 December 2022**

	31.12.22 £	31.12.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Subscriptions and donations	2,917	2,897
Gift aid	24	60
	<u>2,941</u>	<u>2,957</u>
Other trading activities		
Fundraising events	318	-
Wedding income	1,770	-
Hire income	1,420	-
Membership income	3,306	-
Concert and show income	18,200	-
Advertising income	100	-
	<u>25,114</u>	<u>-</u>
Charitable activities		
Grants	197,483	97,213
Other income		
Storage re-charge	429	1,716
	<u>225,967</u>	<u>101,886</u>
Total incoming resources		
EXPENDITURE		
Fundraising events		
Wedding costs	2,609	-
Film Hire	6,256	-
Entertainers' fees and expenses	3,315	-
	<u>12,180</u>	<u>-</u>
Charitable activities		
Other operating leases	3,552	2,860
Licences and insurance	8,216	7,541
Postage and stationery	267	-
Advertising	2,372	-
Sundries	52	154
Repairs	162,386	52,204
Fire protection	-	643
Administration fees	7,200	6,000
Consultancy	-	112
Carried forward	184,045	69,514

This page does not form part of the statutory financial statements

Harwich Electric Palace Trust

Detailed Statement of Financial Activities for the Year Ended 31 December 2022

	31.12.22 £	31.12.21 £
Charitable activities		
Brought forward	184,045	69,514
Contribution to Electric Palace (Harwich) Limited	-	35,000
William Freize-Green Project expenses	-	1,496
Young film project costs	4,670	-
Plant and machinery	85	33
Grants to institutions	39,453	17,671
	228,253	123,714
Support costs		
Finance		
Bank charges	61	-
Other		
Sundries	675	-
Governance costs		
Accountancy and legal fees	5,052	708
Total resources expended	246,221	124,422
Net expenditure	(20,254)	(22,536)

This page does not form part of the statutory financial statements