

REGISTERED COMPANY NUMBER: 01409066 (England and Wales)  
REGISTERED CHARITY NUMBER: 277415

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
**FOR**  
**THE RIO CENTRE (DALSTON) LIMITED**

Brindley Millen Ltd  
Chartered Accountants and Statutory Auditors  
167 Turners Hill  
Cheshunt  
Hertfordshire  
EN8 9BH

**THE RIO CENTRE (DALSTON) LIMITED**

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**for the Year Ended 31 March 2021**

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## **THE RIO CENTRE (DALSTON) LIMITED**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. 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 Rio is a registered charity incorporated as a Company Limited by Guarantee. The organisation's day-to-day activities are carried out by a staff team led by Executive Director Oliver Meek and his Operations Manager Yoan Segot. The Rio does not make use of "zero hours" contracts.

The Charity's core activity is to run the Rio Cinema, an independent cinema with two screening rooms, and a unique policy of community access and local involvement. The cinema is traditionally open 364 days of the year (except during the recent pandemic years), and its wide-ranging and varied programme typically presents approximately 1300 screenings annually incorporating: main feature films, programmes for children and the elderly, special events, festivals and independent films. The Rio provides a focal point for the area and also convenient and economical access to cinema for a wide range of Londoners, regularly offering discounted tickets both to the general public and targeted at specific groups.

##### **Public benefit**

The Directors have considered the Charity Commission guidance on public benefit and consider that the activities of the charity provide public benefit within the following charitable purposes:

##### **THE ADVANCEMENT OF THE ARTS, CULTURE, HERITAGE OR SCIENCE**

The Rio promotes an appreciation of the best of world cinema for the local community in the London Borough of Hackney and neighbouring boroughs. Through participation in film festivals showcasing work from around the world, the Rio demonstrates its commitment to providing local residents with as diverse a programme of high-quality cinema as possible.

##### **THE ADVANCEMENT OF CITIZENSHIP OR COMMUNITY DEVELOPMENT**

Cinema itself is a communal experience, an accessible art form that attracts a diverse and wide range of people. The Rio provides a home to film festivals that reflect the diversity of the local population, featuring films that may otherwise go unseen in the UK. These screenings provide an opportunity to learn about one another's cultures and heritage, aiding and developing community relations. The Rio also provides an outlet for local community organisations and charities to promote their causes, both through public screenings and our education programme.

##### **THE ADVANCEMENT OF EDUCATION**

The Rio Centre's extensive programme of schools screenings provides an invaluable adjunct to the classwork of local schools and is viewed by teachers as a significant educational resource. Filmmaking and animation workshops provide children with an introduction to the principles of both art forms. Using the recently digitised archive of photographs, the Rio collaborates on educational projects with local schools and museums.

##### **THE RELIEF OF THOSE IN NEED, BY REASON OF YOUTH, AGE, ILL-HEALTH, DISABILITY, FINANCIAL HARDSHIP OR OTHER DISADVANTAGE**

The Rio is determined to make film as accessible as possible to the local community, and therefore seeks to provide low-cost access to the cinema for people on benefits and for children to facilitate the widest possible access to its services. The Rio's monthly Classic Matinee aims to reduce feelings of isolation for older people and enrich life of those in care, providing local older people with an opportunity to socialise, enjoy a film and also free tea and biscuits. A community discount is available to appropriate organisations and individuals looking to hire out the cinema for their projects.

**REPORT OF THE TRUSTEES**  
**for the Year Ended 31 March 2021**

**ACHIEVEMENT AND PERFORMANCE**

**Building Improvements**

With the support of the Architectural Heritage Fund, we have started a feasibility study for a potential Screen 3 in unused space above Screen 1. We have also ringfenced funds to refurbish the lobby and Screen 1 bar area. We believe this will better serve our members who might otherwise go to other nearby venues for refreshments before seeing a film. The projected increase in bar spend per head will add to the long-term viability of the cinema and provide an investment for future generations.

**Staffing**

Transparency and communication between trustees and staff are key and a new Staffing Sub-committee has established to take on staff ideas, improve processes, review the staff handbook and arbitrate on any issues. All staff have been retained despite challenging economic conditions. Where staff have left of their own accord, recruitment has taken place to ensure enough skills are in place to operate the cinema. Staff have been consulted before responding to government easing of pandemic-related restrictions to ensure we operate at levels with which they are comfortable.

**Independent Cinema Community**

The success and experience of the Rio during difficult conditions have led to other independent cinemas seeking our help and advice. In two cases, this has led to 12-month service agreements signed with other cinemas where we provide services by sharing existing staff and charging a modest profit margin on our costs. This additional regular income has been a key addition to our revenue and one we believe we can grow in future for the benefit of our charitable activities.

**Technology**

Whilst audiences were mandated to stay at home, the Rio reached out to them by implementing and then upgrading an online streaming service called The Rio Player. We will continue this service during normal conditions as it provides an extra source of income whilst providing another way to reach and serve our members and community. The next step is to upgrade the box office system and website. We have been working with a number of providers to progress with this for implementation in the next year.

**Sustainability**

The engagement with our new Sustainability Sub-Committee has been very encouraging. Staff and trustees have showed great passion in making a real difference in all areas from the materials we use, the suppliers we deal with and how we generate our electricity. We believe this will lead to significant progress within the next year including powering our new lower-energy projector from solar panels.

**Community Outreach**

Andrew Woodyatt has taken on a new, dedicated role for community and educational work at the Rio. Andrew continues to build upon the success of The Rio Tape/Slide Archive, by working with Hackney Museum and local schools on a number of projects. Tours covering our architectural history and Jewish history have proved successful. The Rio continues to be a key venue for community and educational festivals such as Fringe! and Into Film. A number of special events involving LGBTQ+ artists and collectives have been popular during times the Rio has been open to audiences.

**FINANCIAL REVIEW**

**Financial position**

The figures to March 2021 cover an exceptional period and are not indicative of a usual year of trading. Income from member donations, grants from supporting organisations, furlough payments, and a substantial insurance pay-out have provided key sources of income this year. In addition, steps have been taken to diversify income to improve resilience. These include new sources of revenue from online streaming, book and merchandise sales, advertising, providing services to other cinemas as well as maintaining regular income from private events and hires. The income from collaborations with other cinemas is being hypothecated to raise staff salaries to the London Living Wage in stages with wage increases for all staff implemented in September. The box office from big films during the periods between lockdowns were encouraging as they show audiences are very eager to return when conditions are safe.

**DCMS Culture Recovery Fund**

During the multiple lockdown periods of the on-going Covid pandemic, cinemas have had to comply with a series of new restrictions often with little notice. Venues in the arts sector have had to either close or operate at significantly reduced capacity, thereby incurring losses. On 5 July 2020, the then Secretary of State for the Department for Digital, Culture, Media and Sport (DCMS) announced a £1.57 billion Culture Recovery Fund rescue package for cultural organisations to help the sector survive, and when possible, reopen. The Rio Cinema successfully applied during all three rounds of the Culture Recovery Fund providing us with enough funds to retain all staff, invest in necessary equipment upgrades and cover losses for reduced capacity and closure.

**Reserves policy**

The trustees deem it prudent to hold three months running costs in current assets. With the support of the DCMS Culture Recovery Fund, we are in a position of maintaining full reserves as of 15 December 2021.

## **THE RIO CENTRE (DALSTON) LIMITED**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2021**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document - a deed of trust - and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity owns a subsidiary limited company that is used to provide services (consultancy, programming, accounting, marketing) to other independent cinemas. This allows us to support our community of fellow independent cinemas in London whilst generating additional income to subsidise the operation and improvement of the Rio Cinema.

During the financial year 2020 to 2021, the members called for and voted in a change of trustees holding governance positions to better cope with the challenges of the pandemic. Full details of this change of governance were provided in last year's trustees' report.

##### **Key management remuneration**

The charity carries out an annual pay review by the Executive Director and Executive Committee, to ensure that our pay levels are fair, competitive and an effective use of charitable funds. The Rio has an agreement with the trade union BECTU, with whom it negotiates yearly on pay, hours and holiday in respect of certain employees. The Rio aspires to become Living Wage employer.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

01409066 (England and Wales)

##### **Registered Charity number**

277415

##### **Registered office**

107 Kingsland High Street  
London  
E8 2PB

##### **Trustees**

A Brooke (resigned 4.7.20)  
C Casciani (resigned 13.5.20)  
M Reinink (resigned 4.7.20)  
N Ransley (resigned 4.7.20)  
G Binette Deputy Chair (appointed 4.7.20)  
F Johnston (appointed 4.7.20)  
R S Ruprai Chair (appointed 4.7.20)  
A Clark Treasurer (appointed 4.7.20)  
A Andrews (appointed 9.8.20)  
T Andrews (appointed 9.8.20)  
C Bolam (appointed 15.4.20) (resigned 4.7.20)  
S Boavida (appointed 15.4.20) (resigned 4.7.20)  
P Broughton (appointed 13.5.20) (resigned 4.7.20)  
S Chorley (appointed 9.8.20)  
R Kirwan (appointed 9.8.20)  
S Robertson (appointed 9.8.20)

##### **Company Secretary**

P Lyons

##### **Auditors**

Brindley Millen Ltd  
Chartered Accountants and Statutory Auditors  
167 Turners Hill  
Cheshunt  
Hertfordshire  
EN8 9BH

**THE RIO CENTRE (DALSTON) LIMITED**

**REPORT OF THE TRUSTEES**  
**for the Year Ended 31 March 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Solicitors**

Bristows LLP (until July 2020)  
100 Victoria Embankment  
London  
EC4Y 0DH

Dechert LLP (from July 2020)  
160 Queen Victoria Street  
London  
EC4V 4QQ

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Brindley Millen Ltd, were re-appointed at the Annual General Meeting held on Sunday 3rd November 2019.

Approved by order of the board of trustees on ..... Jan 7, 2022 ..... and signed on its behalf by:

*Anna Clark*

Anna Clark (Jan 7, 2022 22:26 GMT)

.....  
A Clark - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE RIO CENTRE (DALSTON) LIMITED**

### **Opinion**

We have audited the financial statements of The Rio Centre (Dalston) Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE RIO CENTRE (DALSTON) LIMITED**

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

### **Our 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 a Report of the Independent Auditors 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.

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


We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those covered by the Statement of Recommended Practice for Charities (SORP 2019) and the Charities Act 2011. We assessed the risk of material misstatement in respect of fraud by making enquiries of management and trustees and by testing the implementation of accounting controls in place.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above by making enquiries with key personnel and reviewing relevant documentation such as minutes of Trustee meetings and correspondence with regulatory bodies. We considered the risk of fraud through management override by incorporation testing of journal entries and reviewing any requirements to meet performance targets. We also considered, and tested for, the possibility of unauthorised payments to related parties.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our 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 auditors' 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.

  
[mwbrindley \(Jan 21, 2022 16:38 GMT\)](#)

Maurice Brindley BSc FCA (Senior Statutory Auditor)  
for and on behalf of Brindley Millen Ltd  
Chartered Accountants and Statutory Auditors  
167 Turners Hill  
Cheshunt  
Hertfordshire  
EN8 9BH

Date: Jan 21, 2022  
Date: .....



**THE RIO CENTRE (DALSTON) LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**for the Year Ended 31 March 2021**

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	182,460	-	182,460	69,473
<b>Charitable activities</b>	4				
Cinema		156,667	-	156,667	897,530
Investment income	3	35	-	35	24
Other income		214,615	-	214,615	4,511
<b>Total</b>		<u>553,777</u>	<u>-</u>	<u>553,777</u>	<u>971,538</u>
<b>EXPENDITURE ON</b>					
Raising funds	5	81,846	-	81,846	343,906
<b>Charitable activities</b>	6				
Cinema		497,153	18,365	515,518	622,213
<b>Total</b>		<u>578,999</u>	<u>18,365</u>	<u>597,364</u>	<u>966,119</u>
<b>NET INCOME/(EXPENDITURE)</b>		<u>(25,222)</u>	<u>(18,365)</u>	<u>(43,587)</u>	<u>5,419</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		122,857	245,541	368,398	362,979
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>97,635</u>	<u>227,176</u>	<u>324,811</u>	<u>368,398</u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

**BALANCE SHEET**

**31 March 2021**

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	12	117,893	227,176	345,069	378,220
<b>CURRENT ASSETS</b>					
Stocks	13	1,835	-	1,835	11,025
Debtors	14	9,453	-	9,453	42,920
Cash at bank and in hand		126,692	-	126,692	93,485
		<u>137,980</u>	<u>-</u>	<u>137,980</u>	<u>147,430</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(93,149)	-	(93,149)	(128,306)
<b>NET CURRENT ASSETS</b>		<u>44,831</u>	<u>-</u>	<u>44,831</u>	<u>19,124</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		162,724	227,176	389,900	397,344
<b>CREDITORS</b>					
Amounts falling due after more than one year	16	(65,089)	-	(65,089)	(28,946)
<b>NET ASSETS</b>		<u>97,635</u>	<u>227,176</u>	<u>324,811</u>	<u>368,398</u>
<b>FUNDS</b>	18				
Unrestricted funds				97,635	122,857
Restricted funds				<u>227,176</u>	<u>245,541</u>
<b>TOTAL FUNDS</b>				<u>324,811</u>	<u>368,398</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on Jan 7, 2022 and were signed on its behalf by:

*Anna Clark*

Anna Clark (Jan 7, 2022 22:26 GMT)

A Clark - Trustee

**THE RIO CENTRE (DALSTON) LIMITED****CASH FLOW STATEMENT****for the Year Ended 31 March 2021**

	Notes	31.3.21 £	31.3.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	9,549	22,115
Interest paid		(1,303)	(2,356)
Net cash provided by operating activities		<u>8,246</u>	<u>19,759</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(16,321)	(20,430)
Interest received		35	24
Net cash used in investing activities		<u>(16,286)</u>	<u>(20,406)</u>
<b>Cash flows from financing activities</b>			
New loans in year		50,000	20,000
Loan repayments in year		(8,753)	(17,083)
Net cash provided by financing activities		<u>41,247</u>	<u>2,917</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>33,207</u>	<u>2,270</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>93,485</u>	<u>91,215</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>126,692</u></u>	<u><u>93,485</u></u>

The notes form part of these financial statements

**THE RIO CENTRE (DALSTON) LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**

**for the Year Ended 31 March 2021**

**1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.3.21 £	31.3.20 £
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(43,587)	5,419
<b>Adjustments for:</b>		
Depreciation charges	49,471	49,468
Interest received	(35)	(24)
Interest paid	1,303	2,356
Decrease in stocks	9,190	3,633
Decrease/(increase) in debtors	33,470	(13,570)
Decrease in creditors	(40,263)	(25,167)
<b>Net cash provided by operations</b>	<u>9,549</u>	<u>22,115</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.20 £	Cash flow £	At 31.3.21 £
<b>Net cash</b>			
Cash at bank and in hand	93,485	33,207	126,692
	<u>93,485</u>	<u>33,207</u>	<u>126,692</u>
<b>Debt</b>			
Debts falling due within 1 year	(13,400)	(5,106)	(18,506)
Debts falling due after 1 year	(28,946)	(36,143)	(65,089)
	<u>(42,346)</u>	<u>(41,249)</u>	<u>(83,595)</u>
<b>Total</b>	<u>51,139</u>	<u>(8,042)</u>	<u>43,097</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 March 2021**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements and assessment of going concern**

The financial statements of the charitable company, 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 Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

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

The financial statements are presented in sterling (£).

**Critical accounting judgements and key sources of estimation uncertainty**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

Useful economic life of tangible fixed assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

**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.

Income from Ticket Sales, Bar & Confectionary is recognised on the receipt of the takings. Income from other activities is recognised on the date invoices.

**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.

**Tangible fixed assets**

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

Short leasehold	- at varying rates on cost
Fixtures and fittings	- 10% on cost

**Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is calculated using a first in, first out method.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

**Cash at bank and in hand**

Cash at bank and in hand includes cash, current bank accounts and deposit bank accounts with no withdrawal limitations.

**Creditors**

Creditors are recognised where then charity has a present obligation resulting from a past event that will 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 are recognised at their settlement amount.

**Fund accounting**

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2021**

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

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.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Going concern**

The accounts have been prepared on a going concern basis.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially settled at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2. DONATIONS AND LEGACIES**

	31.3.21	31.3.20
	£	£
Donations	30,756	11,285
Friends of Rio	13,405	32,050
Gift aid	3,580	3,441
Grants	132,994	19,064
Miscellaneous	1,725	3,633
	<u>182,460</u>	<u>69,473</u>

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

	31.3.21	31.3.20
	£	£
Architectural Heritage Fund	7,500	-
British Film Institute	66,178	-
Film London	17,794	8,480
London Borough of Hackney	41,522	-
The Energy Saving	-	10,584
	<u>132,994</u>	<u>19,064</u>

**3. INVESTMENT INCOME**

	31.3.21	31.3.20
	£	£
Deposit account interest	<u>35</u>	<u>24</u>

**THE RIO CENTRE (DALSTON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2021**

**4. INCOME FROM CHARITABLE ACTIVITIES**

		31.3.21	31.3.20
	Activity	£	£
Film ticket sales	Cinema	90,802	591,856
Bar, confectionery & misc sales	Cinema	48,783	209,875
Screen advertising	Cinema	4,134	30,108
Hire	Cinema	12,531	48,262
School screenings	Cinema	417	6,019
Expired Vouchers	Cinema	-	11,410
		<u>156,667</u>	<u>897,530</u>

**5. RAISING FUNDS**

**Other trading activities**

	31.3.21	31.3.20
	£	£
Purchases	<u>81,846</u>	<u>343,906</u>

**6. CHARITABLE ACTIVITIES COSTS**

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Cinema	<u>506,981</u>	<u>8,537</u>	<u>515,518</u>

**7. SUPPORT COSTS**

	Finance	Governance costs	Totals
	£	£	£
Cinema	<u>4,732</u>	<u>3,805</u>	<u>8,537</u>

**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	31.3.21	31.3.20
	£	£
Auditors' remuneration	3,805	4,566
Depreciation - owned assets	49,472	49,467
Hire of plant and machinery	<u>3,377</u>	<u>3,871</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

**Key management remuneration**

The trustee's consider the Key Management to consist of Executive Director, Assistant General Manager, Venue Manager, Marketing & Development Manager, Programmer, Finance Officer and Technical Manager.

During the year the Key Management received remuneration including gross pay of £140,038 and employer's NI of £12,052 (2020: £160,862 in total) as well as £2,889 in employer's pension contributions (2020: £2,855)

**THE RIO CENTRE (DALSTON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2021**

**10. STAFF COSTS**

	31.3.21	31.3.20
	£	£
Wages and salaries	346,271	363,837
Social security costs	14,402	17,864
Other pension costs	8,372	8,665
	<u>369,045</u>	<u>390,366</u>

The average monthly number of employees during the year was as follows:

	31.3.21	31.3.20
	25	27
All Staff	<u>25</u>	<u>27</u>

No employees received emoluments in excess of £60,000.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	69,473	-	69,473
<b>Charitable activities</b>			
Cinema	897,530	-	897,530
Investment income	24	-	24
Other income	4,511	-	4,511
<b>Total</b>	<u>971,538</u>	<u>-</u>	<u>971,538</u>
<b>EXPENDITURE ON</b>			
Raising funds	343,906	-	343,906
<b>Charitable activities</b>			
Cinema	603,849	18,364	622,213
<b>Total</b>	<u>947,755</u>	<u>18,364</u>	<u>966,119</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>23,783</u>	<u>(18,364)</u>	<u>5,419</u>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<u>99,074</u>	<u>263,905</u>	<u>362,979</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>122,857</u>	<u>245,541</u>	<u>368,398</u>



**THE RIO CENTRE (DALSTON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2021**

**12. TANGIBLE FIXED ASSETS**

	Short leasehold £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 April 2020	389,580	691,076	1,080,656
Additions	-	16,321	16,321
	<hr/>	<hr/>	<hr/>
At 31 March 2021	389,580	707,397	1,096,977
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 April 2020	193,781	508,655	702,436
Charge for year	11,400	38,072	49,472
	<hr/>	<hr/>	<hr/>
At 31 March 2021	205,181	546,727	751,908
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 March 2021	184,399	160,670	345,069
	<hr/>	<hr/>	<hr/>
At 31 March 2020	195,799	182,421	378,220
	<hr/>	<hr/>	<hr/>

If leasehold property has not been revalued it would have been included at its historical cost of £9,000.

Leasehold property was valued at open market value on 31 March 2005 by the management committee on the basis of the annual rent due over the remaining period of the lease. On transition to FRS102 in the preparation of the financial statements the deemed cost option was applied in respect of freehold property.

The Net Book Value of the assets are subject to an Impairment Review each year and written down if impairment has occurred.

The leasehold is depreciated at the rate of the annual rent. The lease ends in 2037.

Plant & Equipment items are initially included at cost and then depreciated as stated. The carrying values are reviewed at the year end for impairment if circumstances indicate that the fully carrying value may not be recoverable.

**13. STOCKS**

	31.3.21 £	31.3.20 £
Confectionery	1,835	11,025
	<hr/>	<hr/>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.21 £	31.3.20 £
Trade debtors	1,827	22,606
Sundry debtors	3,102	9,001
Prepayments	4,524	11,313
	<hr/>	<hr/>
	9,453	42,920
	<hr/>	<hr/>

**THE RIO CENTRE (DALSTON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2021**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.21	31.3.20
	£	£
Bank loans and overdrafts (see note 17)	18,506	13,400
Trade creditors	28,864	63,992
Social security and other taxes	7,698	12,634
VAT	25,740	32,393
Other creditors	8,536	5,887
Accrued expenses	3,805	-
	<u>93,149</u>	<u>128,306</u>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.21	31.3.20
	£	£
Bank loans (see note 17)	<u>65,089</u>	<u>28,946</u>

**17. LOANS**

An analysis of the maturity of loans is given below:

	31.3.21	31.3.20
	£	£
Amounts falling due within one year on demand:		
Loans	<u>18,506</u>	<u>13,400</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>18,506</u>	<u>7,857</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>21,195</u>	<u>11,756</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	25,388	9,333

The Charities' loans are unsecured and have principal terms as follows:

Loan of £20,000 repayable over 10 years from October 2019 at nil interest

Loan of £25,000 repayable over 5 years for 2018 with interest at 5.71% above bank rate.

Bounce Back Loan of £50,000 repayable (after a 12 month repayment holiday) over 6 years from September 2020 with interest at 2.5% p.a.

Loan of £35,000 repayable over 3 years from 2017 with interest at an average of 5.5% p.a. has now been fully repaid.

**18. MOVEMENT IN FUNDS**

	At 1.4.20	Net movement in funds	At 31.3.21
	£	£	£
<b>Unrestricted funds</b>			
General fund	22,996	(12,115)	10,881
RioGeneration	99,861	(13,107)	86,754
	<u>122,857</u>	<u>(25,222)</u>	<u>97,635</u>
<b>Restricted funds</b>			
Revaluation reserve	195,799	(11,400)	184,399
RioGeneration fund	49,742	(6,965)	42,777
	<u>245,541</u>	<u>(18,365)</u>	<u>227,176</u>
<b>TOTAL FUNDS</b>	<u>368,398</u>	<u>(43,587)</u>	<u>324,811</u>

**THE RIO CENTRE (DALSTON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2021**

**18. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	553,777	(565,892)	(12,115)
RioGeneration	-	(13,107)	(13,107)
	<u>553,777</u>	<u>(578,999)</u>	<u>(25,222)</u>
<b>Restricted funds</b>			
Revaluation reserve	-	(11,400)	(11,400)
RioGeneration fund	-	(6,965)	(6,965)
	<u>-</u>	<u>(18,365)</u>	<u>(18,365)</u>
<b>TOTAL FUNDS</b>	<u>553,777</u>	<u>(597,364)</u>	<u>(43,587)</u>

**Comparatives for movement in funds**

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
<b>Unrestricted funds</b>				
General fund	(13,590)	36,887	(301)	22,996
RioGeneration	112,664	(13,104)	301	99,861
	<u>99,074</u>	<u>23,783</u>	<u>-</u>	<u>122,857</u>
<b>Restricted funds</b>				
Revaluation reserve	207,199	(11,400)	-	195,799
RioGeneration fund	56,706	(6,964)	-	49,742
	<u>263,905</u>	<u>(18,364)</u>	<u>-</u>	<u>245,541</u>
<b>TOTAL FUNDS</b>	<u>362,979</u>	<u>5,419</u>	<u>-</u>	<u>368,398</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	971,538	(934,651)	36,887
RioGeneration	-	(13,104)	(13,104)
	<u>971,538</u>	<u>(947,755)</u>	<u>23,783</u>
<b>Restricted funds</b>			
Revaluation reserve	-	(11,400)	(11,400)
RioGeneration fund	-	(6,964)	(6,964)
	<u>-</u>	<u>(18,364)</u>	<u>(18,364)</u>
<b>TOTAL FUNDS</b>	<u>971,538</u>	<u>(966,119)</u>	<u>5,419</u>

**THE RIO CENTRE (DALSTON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2021**

**18. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
<b>Unrestricted funds</b>				
General fund	(13,590)	24,772	(301)	10,881
RioGeneration	112,664	(26,211)	301	86,754
	<u>99,074</u>	<u>(1,439)</u>	<u>-</u>	<u>97,635</u>
<b>Restricted funds</b>				
Revaluation reserve	207,199	(22,800)	-	184,399
RioGeneration fund	56,706	(13,929)	-	42,777
	<u>263,905</u>	<u>(36,729)</u>	<u>-</u>	<u>227,176</u>
<b>TOTAL FUNDS</b>	<u>362,979</u>	<u>(38,168)</u>	<u>-</u>	<u>324,811</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,525,315	(1,500,543)	24,772
RioGeneration	-	(26,211)	(26,211)
	<u>1,525,315</u>	<u>(1,526,754)</u>	<u>(1,439)</u>
<b>Restricted funds</b>			
Revaluation reserve	-	(22,800)	(22,800)
RioGeneration fund	-	(13,929)	(13,929)
	<u>-</u>	<u>(36,729)</u>	<u>(36,729)</u>
<b>TOTAL FUNDS</b>	<u>1,525,315</u>	<u>(1,563,483)</u>	<u>(38,168)</u>

RioGeneration funds represent monies raised for redevelopment and the building of the second screen.

**19. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2021.

**20. GUARANTEE STATUS**

The company is limited by guarantee, which means that every member undertakes to contribute to the assets of the company in the event of a winding up, including any member up to one year after ceasing to be a member, such amounts as may be required not exceeding one pound.