

Charity Registration No. 296135

Company Registration No. 01956960 (England and Wales)

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	Adrian Bull	(Appointed 21 March 2021)
	Benjamin Ellis	(Appointed 21 March 2021)
	Alison Gold	
	Jane Graham	(Resigned 26 March 2021)
	Madeleine Hoare	(Appointed 21 March 2021)
	Paul Homer	
	Victoria Kelsall	(Appointed 21 March 2021)
	Abdullah Khan	
	Marta Montague	
	Margaret O'Brien	(Resigned 21 March 2021)
	Viran Ram	(Appointed 21 March 2021)
	Paul Rossi	
	Patrick Swaffer	(Appointed 21 March 2021)

**Charity number** 296135

**Company number** 01956960

**Registered office** 52 High Road  
East Finchley  
London  
N2 9PJ

**Auditor** Simmons Gainsford LLP  
14th Floor  
33 Cavendish Square  
London  
W1G 0PW

**Bankers** Barclays Bank plc  
Muswell Hill  
Crouch End Group  
PO Box 6549  
London  
N8 9RJ

# **THE PHOENIX CINEMA TRUST LIMITED**

## **(A COMPANY LIMITED BY GUARANTEE)**

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**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, are pleased to present their annual report, together with the audited financial statements of the charity, for the year ended 31 March 2021. These are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (as amended for accounting periods commencing from 1 January 2019).

**Objectives and activities**

The Charity's purposes are the advancement of the education of the public and in particular of persons who live or work in London in the arts including, but without limiting the foregoing, the arts of film, television, drama, ballet, mime, dance, music, singing and opera, and for such purpose to establish, operate and manage and administer the Phoenix Cinema in the London Borough of Barnet and to promote and maintain and encourage schemes for the use thereof.

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The strategies employed to achieve these objectives are:

- To promote film culture by showing a broad range of quality films;
- To preserve and develop the Phoenix Cinema as a popular centre of film, video and new media;
- To encourage the greatest possible access to film activities for the diverse local communities.

There has been no change to these during the year.

There are four major areas of activity where we put these strategies into action which are: main feature film screenings, education and community activities, alternative content and special events including festivals.

**Achievements and performance**

Lockdown restrictions were introduced across the UK in March 2020. As a result, all cinemas were closed. While some opened for a short period in the summer, the Phoenix remained closed except for a few days in December. In mid-December, the country went into another lockdown and all cinemas remained closed until May 2021. Therefore, in terms of trading, the year to March 2021 (FY21) delivered negligible admissions and revenue.

With negligible trading revenue during FY21 the board and remaining management focused on initiatives to keep the cinema solvent. At the start of the financial year, the board took expert advice around the financial situation and investigated a number of different avenues to ensure the cinema would remain financially viable and operational when hospitality venues reopened. The main decision taken at this time was to utilise the furlough scheme for all staff except for one senior manager. A few months later in the summer, the cinema received a material donation from a local supporter to support the cinema on reopening.

Soon after, the UK government announced a major fund to support independent cinemas which was administered by the BFI. The Phoenix applied for a major grant to support it through the pandemic and had received £84k in grant funding by the end of the financial year.

Operationally, the board implemented a staff restructure in operational and management areas, and started the process of bringing in an Executive Director with proven experience in leading an independent cinema. This was achieved via the Phoenix forming a collaborative relationship with another independent cinema, the Rio in Dalston.

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Achievements and performance (continued)**

Just before year-end, the new Executive Director joined and started to make the changes needed to make the Phoenix more financially sustainable.

**Overall performance**

During FY21, admissions and revenue were negligible as the cinema was closed for virtually the whole financial year.

**Education and community programme**

Our education and community programme was put on hold during FY21 due to the restrictions from the pandemic.

**Financial review**

Despite entering the financial year with low cash reserves, the Phoenix was able to consolidate during the pandemic thanks to the coronavirus business support schemes provided by the government, the generous private donation made in the summer and the aforementioned BFI Culture Recovery Scheme.

As a result, the cinema ended the financial year in a stronger cash position with the added security of being able to apply for and secure further BFI funding to support it through to 2022.

**Financial position**

The statement of financial activities for the year shows total incoming resources of £434,668 and total resources expended of £388,342, resulting in a net surplus of £46,326. This compares to income of £755,352 the previous year and a net deficit of £88,721.

Government schemes contributed £212,741 in furlough support and £83,566 in BFI funding. Income from fundraising and other donations contributed £123,133.

**Reserves policy**

The Board's reserves policy continues to be that the Phoenix should hold unrestricted general funds, held in cash or readily realisable assets, equivalent to at least two months' operating costs (approximately £80,000). These funds should be held to mitigate the risk of poor trading or cover unplanned emergency repairs or other expenditure. The reserves policy has not been changed.

Unrestricted general funds held at 31 March 2021 were £58,545 in deficit (see note 22).

The management and Board of the Phoenix monitors cash flow and projected cash on a regular basis in order to anticipate any solvency problems.

As at the end of the year, the Phoenix's assets were sufficient to meet its current obligations. The major asset is the cinema building and associated land which would not be readily realisable for cash.

**Going concern**

Following on from last year's update, the cinema ends FY21 in a much stronger financial and operational position. The BFI grants ensure that the business has added security which is already reflected in a much improved cash position as well as the granting of further funding.

Operationally, the new Executive Director has a track record of improving cinema profitability and has already implemented a range of changes to improve margins.

The cinema entered the new financial year with a more positive outlook than it has in years despite the relative trading uncertainty affecting the whole hospitality industry during the pandemic.

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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***Plans for future periods***

Trading has been reasonable through the last few months with film receipts averaging £28k over the last two months as the film slate has strengthened during autumn and winter 2021. The cinema has retained social distancing within its auditorium and this means that admissions and income are lower than we would hope in the longer term.

The board will work with the new management team to continue to implement changes to help lead the business to profitability.

Overall, the board is now more confident than in previous years that the Phoenix is heading in the right direction and can be sustained as an independent venue.

**Structure, governance and management**

***Governing Document***

The Phoenix Cinema Trust Limited ("The Phoenix") is a charitable company limited by guarantee and governed by its Memorandum and Articles of Association, dated 11 November 1985, as amended. It is registered as a charity with the Charity Commission. The trustees are members of the company and guarantee to contribute £1 in the event of the charity winding up.

***Appointment of trustees***

During the year, two trustees retired from office. With three leaving during the previous financial year, the board added six new trustees with a wide range of relevant experience to ensure strong ongoing governance entering this pivotal post-lockdown period for all cinemas.

Each year, one-third of the trustees shall be retired/reappointed at the Annual General Meeting of its Company Members. In line with best practise in governance, no trustee will serve for more than nine years in total.

***Organisation***

The Phoenix is governed by a board that comprises not less than six and no more than twelve members. The board normally meets quarterly and there are two sub-committees that meet quarterly: the Finance Committee, and the Education, Community and Fundraising committee.

At year end, the Phoenix had 25 staff members compared to an average of 27 the previous year. Most are employed part-time.

***Related parties***

The trustees provide their services on a voluntary basis. None of the trustees has any beneficial interest in the company. There are no connected charities. There are no related party transactions.

***Risk management***

The trustees put in place a risk management policy in 2016 which comprises a risk register that identifies and measures the key risks faced by the cinema in addition to actions to be taken to mitigate the impact. An updated risk register was reviewed and approved by the board in 2019. The cinema has adequate insurance cover in place to mitigate certain of the identified risks.

In prior years, the key risk faced by the cinema was its financial sustainability. This remains a key focus for the board and management team. However, the large private donation coupled with the BFI Culture Recovery Scheme grants mean the cinema is in a more secure financial position than it has been in many years.

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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***Risk management (continued)***

During FY21, the major risk faced by the business was reopening the cinema after the first lockdown ended. At this stage, the vaccine programme had not been rolled out so the business had to implement procedures and policies to safeguard customers and staff in the light of the risks posed by COVID-19. Prior to the limited reopening in December 2020, the board and management team compiled a document outlining these procedures in detail, secured relevant PPE equipment and maintained social distancing throughout the cinema. Since the cinema fully reopened, social distancing has been maintained within the auditorium to ensure the audience feels secure.

**Auditor**

Simmons Gainsford LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

**Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

**Small company provisions**

These financial statements have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Alison Gold

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**Alison Gold**

Chair                      28 January 2022

Dated: .....

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
***FOR THE YEAR ENDED 31 MARCH 2021***

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The trustees, who are also the directors of The Phoenix Cinema Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF THE PHOENIX CINEMA TRUST LIMITED**

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**Opinion**

We have audited the financial statements of The Phoenix Cinema Trust Limited (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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.

**Material uncertainty related to going concern**

We draw your attention to the discussion of the charity's Going Concern status in the Financial Review section of the Trustees' Report. The charity has had several years of unprofitable trading which, along with the other matters as set forth in the report, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF THE PHOENIX CINEMA TRUST LIMITED**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

**Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with the Charities SORP and laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

- the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
- the nature of the company, including its management structure and control systems (including the opportunity for management to override such controls);
- management's incentives and opportunities for fraudulent manipulation of the financial statements; and
- the industry and environment in which it operates.

We also considered UK tax and pension legislation and laws and regulations relating to employment and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the entity:

- laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Charities SORP, Company Law, tax and pension legislation;

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF THE PHOENIX CINEMA TRUST LIMITED**

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- the timing of the recognition of grant income;
- the calculation of, and adherence to, claims made through the Government's Coronavirus Job Retention Scheme (Furlough);
- the going concern status of the charity in light of the Coronavirus Pandemic;
- existence of the tangible fixed assets including the accurate recording of all equipment disposed of during the year;
- compliance with legislation relating to GDPR, health and safety; operating licenses, and the Charity Commission;
- management bias in selecting accounting policies and determining estimates; and
- inappropriate journal entries.

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims;
- discussion with the same regarding any known or suspected instances of non-compliance with laws and regulation and fraud;
- inspection of relevant legal correspondence;
- assessment of matters reported to management and the result of the subsequent investigation;
- obtaining an understanding of the relevant controls during the period;
- obtaining an understanding of the policies and controls over the recognition of income and testing their implementation during the year;
- checking calculations of, and relevant documentation concerning, claims made through the Governments' Coronavirus Job Retention Scheme;
- discussing with senior management the on going viability of the charity and reviewing post year end trading activities;
- testing from the fixed asset register to ensure the physical existence of the tangible fixed assets;
- review documentation relating to compliance with the regulations relating to health and safety regulation and assessments and operating licenses;
- assessing the allocation of income and expenditure between restricted and unrestricted funds;
- challenging assumptions made by management in their specific accounting policies and estimates, in particular in relation to depreciation of tangible fixed assets and the timing of recognition of grant income;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or crediting revenue or cash;
- reviewing the financial statements for compliance with the relevant disclosure requirements;
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movements in account balances which may be indicative of fraud;
- reviewing the minutes of Board meetings; and

**THE PHOENIX CINEMA TRUST LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF THE PHOENIX CINEMA TRUST LIMITED**

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- evaluating the underlying charitable reasons for any unusual transactions.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Oscar Dodd (Senior Statutory Auditor)  
for and on behalf of Simmons Gainsford LLP  
Statutory Auditors**

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14th Floor  
33 Cavendish Square  
London  
W1G 0PW

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total 2021	Total 2020
	Notes	£	£	£	£	£
<b><u>Income and endowments from:</u></b>						
Grants and Donations	3	122,392	-	84,308	206,700	48,778
Charitable activities - trading	4	15,223	-	-	15,223	698,930
Investments	5	4	-	-	4	7
Other income	6	212,741	-	-	212,741	7,637
<b>Total income and endowments</b>		<b>350,360</b>	<b>-</b>	<b>84,308</b>	<b>434,668</b>	<b>755,352</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	7	326,180	4,837	57,325	388,342	844,073
<b>Total expenditure</b>		<b>326,180</b>	<b>4,837</b>	<b>57,325</b>	<b>388,342</b>	<b>844,073</b>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>24,180</b>	<b>(4,837)</b>	<b>26,983</b>	<b>46,326</b>	<b>(88,721)</b>
Fund balances at 1 April 2020		(82,725)	32,638	432,458	382,371	471,092
<b>Fund balances at 31 March 2021</b>		<b>(58,545)</b>	<b>27,801</b>	<b>459,441</b>	<b>428,697</b>	<b>382,371</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET**

**AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	12		404,527		449,418
<b>Current assets</b>					
Stocks	14	3,209		4,494	
Debtors	15	28,591		23,340	
Cash at bank and in hand		151,631		48,989	
		<u>183,431</u>		<u>76,823</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(155,261)</u>		<u>(135,870)</u>	
Net current assets/(liabilities)			28,170		(59,047)
<b>Total assets less current liabilities</b>			432,697		390,371
<b>Creditors: amounts falling due after more than one year</b>	18		(4,000)		(8,000)
<b>Net assets</b>			<u>428,697</u>		<u>382,371</u>
<b>Income funds</b>					
Restricted funds	20		459,441		432,458
<u>Unrestricted funds</u>					
Designated funds	21	27,801		32,638	
General unrestricted funds		<u>(58,545)</u>		<u>(82,725)</u>	
			(30,744)		(50,087)
			<u>428,697</u>		<u>382,371</u>

The financial statements were approved by the Board of Trustees and authorised for issue on .....  
and are signed on its behalf by:

Alison Gold

.....

Alison Gold

**Trustee**

**Company Registration No. 01956960**

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	25		108,105		(67,406)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,467)		-	
Interest received		4		7	
<b>Net cash (used in)/generated from investing activities</b>			(1,463)		7
<b>Financing activities</b>					
Repayment of borrowings		(4,000)		(4,000)	
<b>Net cash used in financing activities</b>			(4,000)		(4,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>			102,642		(71,399)
Cash and cash equivalents at beginning of year			48,989		120,388
<b>Cash and cash equivalents at end of year</b>			151,631		48,989

**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**Company information**

The Phoenix Cinema Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 52 High Road, East Finchley, London, N2 9PJ.

**1.1 Basis of preparation**

The accounts have been prepared in accordance with the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

The charity is a Public Benefit Entity as defined by FRS 102. The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

**1.2 Going concern**

These accounts have been prepared on a going concern basis. At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

**1.3 Charitable funds**

General funds	These are free reserves which can be used in accordance with the charitable objectives.
Designated funds	These represent funds arising at the discretion of the trustees where funds have been allocated for a specific purpose in the future.
Restricted funds	These are funds that can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor.

**1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable. Income from trading activities for general funds is recognised when earned and investment income is included when received by the charity.

**1.5 Expenditure**

Expenditure in the statement of financial activities is recognised in the period in which it is incurred and allocated to the particular activity to which the cost relates.

**1.6 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	straight line over 5 years
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**THE PHOENIX CINEMA TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**(Continued)**

**1.7 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	straight line over 30 years
Café bar	straight line over 20 years
Air conditioning	straight line over 15 years
Foyer improvements & additions	straight line over 13 years
Fixtures, fittings & equipment	25% reducing balance
Seating	straight line over 20 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Assets purchased with a cost of less than £500 are not capitalised.

**1.8 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If an impairment loss arises then it is recognised in the Statement of Financial Activities.

**1.9 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

**1.10 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.11 Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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**3 Grants and Donations**

	Unrestricted funds general £	Restricted funds £	Total 2021 £	Total 2020 £
Grants and donations	122,392	84,308	206,700	48,778
<b>For the year ended 31 March 2020</b>	<b>13,553</b>	<b>35,225</b>		<b>48,778</b>
<b>Grants and donations</b>				
Film London - Heritage activity grant	17,585	-	17,585	4,574
Europa Cinemas grant	-	742	742	1,437
John Lyon's Charity - education project grant	-	-	-	17,500
National Lottery - toddler time grant	-	-	-	7,460
London Borough of Barnet	25,000	-	25,000	-
Frictionless	52,437	-	52,437	-
Gift aid and donations	27,370	-	27,370	17,807
British Film Institute	-	83,566	83,566	-
	122,392	84,308	206,700	48,778

**4 Income from charitable activities - trading**

	2021 £	2020 £
Film receipts	2,720	442,976
Cinema hire	5,561	25,667
Education and workshops	6,300	13,307
Festivals	-	27,884
Friends subscriptions	-	47,730
Screen advertising	(256)	21,930
Confectionery and café bar	477	105,909
Merchandise	5	4,112
Other Income	416	9,415
<b>Charitable activities - trading</b>	<b>15,223</b>	<b>698,930</b>

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**5 Income from investments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank interest received	<u>4</u>	<u>7</u>

**6 Other income**

	<b>Unrestricted funds general 2021 £</b>	<b>Unrestricted funds general 2020 £</b>
Furlough support	<u>212,741</u>	<u>7,637</u>

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**7 Analysis of expenditure on charitable activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff costs	260,435	334,349
Film hire and festival costs	1,263	224,669
Programming fees	(226)	5,520
Cinema hire, education and workshops	559	18,427
Publicity and marketing	1,800	3,853
Confectionery and café bar purchases	3,907	48,473
Merchandise purchases	1,600	550
Fees and other staff costs	6,820	19,800
Friends scheme costs	-	604
Fundraising costs	216	359
	<u>276,374</u>	<u>656,604</u>
Share of support costs (see note 8)	105,123	171,744
Share of governance costs (see note 8)	6,845	15,725
	<u>388,342</u>	<u>844,073</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	326,180	
Unrestricted funds - designated	4,837	
Restricted funds	57,325	
	<u>388,342</u>	
<b>For the year ended 31 March 2020</b>		
Unrestricted funds - general		767,767
Unrestricted funds - designated		6,731
Restricted funds		69,575
		<u>844,073</u>

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**8 Support costs**

	Support costs	Governance costs	2021	2020	Basis of allocation
	£	£	£	£	
Staff costs	-	3,000	3,000	3,000	See note below
Depreciation	46,359	-	46,359	47,468	
Legal and professional	5,695	-	5,695	1,508	
Rent and rates	3,229	-	3,229	5,307	
Insurance	7,632	-	7,632	7,505	
Light and heat	8,104	-	8,104	18,264	
Building repairs and maintenance	22,324	-	22,324	45,976	
Equipment maintenance	2,933	-	2,933	13,384	
Postage and stationery	1,271	111	1,382	5,256	See note below
Telephone	3,108	270	3,378	3,107	See note below
Travel	-	-	-	1,056	
Sundries	100	-	100	1,213	
Subscriptions and training	2,488	-	2,488	6,767	
Booking fee charges	1,350	-	1,350	7,705	
Bank charges	530	-	530	7,898	
Audit fees	-	7,336	7,336	7,312	Governance
Accountancy	-	(3,872)	(3,872)	4,743	Governance
	<u>105,123</u>	<u>6,845</u>	<u>111,968</u>	<u>187,469</u>	
Analysed between					
Charitable activities	<u>105,123</u>	<u>6,845</u>	<u>111,968</u>	<u>187,469</u>	

**Governance costs:**

**Staff costs:** - Relates to the time spent by selected personnel to prepare and minute information and attend trustees meetings.

**Postage and stationery and telephone:** - Relates to the stationery costs and telephone calls in preparing papers for the trustees meetings.

**9 Trustees and key management personnel**

None of the trustees (or any persons connected with them) received any reimbursed expenses, remuneration or benefits from the charity during the year (2020: Nil).

The total amount of employee benefits received by key management personnel for their services to the trust was £51,197 (2020: £84,310).

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**10 Employees**

**Number of employees**

	<b>2021 Number</b>	<b>2020 Number</b>
The average weekly and monthly number of employees during the year was:	25	27

**Employment costs**

	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	250,532	316,112
Social security costs	8,259	16,099
Staff pension costs	4,644	5,138
	<u>263,435</u>	<u>337,349</u>

No employee received emoluments in excess of £60,000 during the year (2020: Nil).

**11 Intangible fixed assets**

	<b>Software £</b>
<b>Cost</b>	
At 1 April 2020 and 31 March 2021	5,000
<b>Amortisation and impairment</b>	
At 1 April 2020 and 31 March 2021	5,000
<b>Carrying amount</b>	
At 31 March 2021	-
At 31 March 2020	-

The software costs relate to the design and build of a new website in November 2015 at a cost of £5,000. The new website gives customers the ability to book tickets for upcoming film screenings, thereby providing an ongoing economic benefit to the trust.

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**12 Tangible fixed assets**

	Land and buildings	Café bar	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2020	581,892	791,105	135,457	1,508,454
Additions	-	-	1,467	1,467
Disposals	-	-	(23,105)	(23,105)
At 31 March 2021	581,892	791,105	113,819	1,486,816
<b>Depreciation and impairment</b>				
At 1 April 2020	570,127	375,772	113,137	1,059,036
Depreciation charged in the year	888	39,556	4,648	45,092
Eliminated in respect of disposals	-	-	(21,839)	(21,839)
At 31 March 2021	571,015	415,328	95,946	1,082,289
<b>Carrying amount</b>				
At 31 March 2021	10,877	375,777	17,873	404,527
At 31 March 2020	11,765	415,333	22,320	449,418

The property title deeds in respect of the above land and buildings are held by The Phoenix Cinema Trust Limited with the following charge in place:

National Heritage Memorial Fund: £656,800. Expires September 2035

The Café Bar and betterment costs financed by the National Heritage Memorial Fund have certain conditions and if breached before 2035 the charity will be required to repay the grant in full.

In April 2009, Colliers CRE, Chartered Surveyors, valued the Freehold property at £850,000 prior to the works, with a presumptive valuation of £1,000,000 post the capital works being completed.

**13 Financial instruments**

	2021 £	2020 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	50	14,700
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	65,920	49,529

**14 Stocks**

	2021 £	2020 £
Confectionery and bar stock	3,209	4,494

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**15 Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	50	14,700
Prepayments and accrued income	28,541	8,640
	<u>28,591</u>	<u>23,340</u>

**16 Loans and overdrafts**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other loans	8,000	12,000
	<u>8,000</u>	<u>12,000</u>
Payable within one year	4,000	4,000
Payable after one year	4,000	8,000
	<u>4,000</u>	<u>12,000</u>

The loan relates to the amount drawn down for the purpose of renovating and repairing the entrance hall and canopy of the cinema.

**17 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Loans and overdrafts	<b>16</b>	4,000
Other taxation and social security		42,933
Deferred income	<b>19</b>	6,610
Trade creditors		26,816
Other creditors		10,713
Accruals		44,798
		<u>155,261</u>

**18 Creditors: amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other loans	4,000	8,000
	<u>4,000</u>	<u>8,000</u>

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**19 Deferred income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Arising from advanced ticket sales	-	6,610
Arising from advanced membership income	6,923	-
	<u>6,923</u>	<u>6,610</u>

Deferred income is included in the financial statements as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Current liabilities	6,923	6,610
	<u>6,923</u>	<u>6,610</u>

**20 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	<b>Movement in funds</b>		
	<b>Balance at 1</b>	<b>Incoming</b>	<b>Expenditure</b>
	<b>April 2020</b>	<b>resources &amp;</b>	<b>&amp; transfers</b>
	<b>transfers</b>	<b>March 2021</b>	
	<b>£</b>	<b>£</b>	<b>£</b>
Capital fund	425,336	-	(40,055)
Education fund	7,122	742	(559)
BFI - non-capital expenditure	-	75,797	(15,244)
BFI - capital expenditure	-	7,769	(1,467)
	<u>432,458</u>	<u>84,308</u>	<u>(57,325)</u>
	<u>432,458</u>	<u>84,308</u>	<u>459,441</u>

**Purpose of restricted funds**

<b>Capital fund</b>	The balance will fund future depreciation of fixed assets which were originally purchased using restricted and matching funding.
<b>Education fund</b>	This is a fund for specific education projects.
<b>BFI expenditure</b>	This relates to funds received as part of the Culture Recovery Fund for Independent Cinemas in England, which was intended to help protect cultural and heritage organisations from the impact of COVID-19.

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**21 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2019 £	Expenditure & transfers £	Balance at 1 April 2020 £	Expenditure & transfers £	Balance at 31 March 2021 £
Capital fund	30,079	(5,996)	24,083	(4,837)	19,246
Entrance hall and canopy renovation fund	9,290	(735)	8,555	-	8,555
	<u>39,369</u>	<u>(6,731)</u>	<u>32,638</u>	<u>(4,837)</u>	<u>27,801</u>

**Purpose of designated funds**

**Capital fund** The balance will fund future depreciation of fixed assets which were originally purchased using general funding.

**Entrance hall and canopy renovation fund** The purpose of this fund is to meet the cost of renovation and repair of the entrance hall and canopy of the Phoenix cinema.

**22 Analysis of net assets between funds**

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	-	19,246	385,281	404,527
Current assets/(liabilities)	(54,545)	8,555	74,160	28,170
Long term liabilities	(4,000)	-	-	(4,000)
	<u>(58,545)</u>	<u>27,801</u>	<u>459,441</u>	<u>428,697</u>

**23 Contingent assets**

The Charity has submitted a claim to its insurer under its business interruption policy for the losses resulting from the Coronavirus closure. The amount of the claim is currently being assessed by the insurer and the Trustees are unable to provide a robust estimate.

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**24 Analysis of changes in net funds**

	At 1 April 2020	Cash flows	Other non-cash changes	At 31 March 2021
	£	£	£	£
Cash at bank and in hand	48,989	102,642	-	151,631
Loans falling due within one year	(4,000)	4,000	(4,000)	(4,000)
Loans falling due after more than one year	(8,000)	-	4,000	(4,000)
	<u>36,989</u>	<u>106,642</u>	<u>-</u>	<u>143,631</u>

**25 Cash generated from operations**

	2021 £	2020 £
Surplus/(deficit) for the year	46,326	(88,721)
Adjustments for:		
Investment income recognised in statement of financial activities	(4)	(7)
Loss on disposal of tangible fixed assets	1,265	-
Depreciation and impairment of tangible fixed assets	45,094	47,468
Movements in working capital:		
Decrease/(increase) in stocks	1,285	(238)
(Increase) in debtors	(5,253)	(5,961)
Increase/(decrease) in creditors	19,079	(10,132)
Increase/(decrease) in deferred income	313	(9,815)
<b>Cash generated from/(absorbed by) operations</b>	<u>108,105</u>	<u>(67,406)</u>