

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 7
Independent auditors' report on the financial statements	8 - 12
Statement of financial activities	13
Balance sheet	14 - 15
Statement of cash flows	16
Notes to the financial statements	17 - 33

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Trustees	Benjamin Ellis, Trustee Patrick Swaffer, Trustee Adrian Bull, Trustee Madeleine Hoare, Trustee Victoria Kelsall, Trustee Viran Parshu Ram, Trustee Abdullah Riasat Khan, Trustee Paul Rossi, Trustee Marta Montague, Trustee Alison Gold, Chairman Paul Homer, Trustee (Resigned 12 January 2022)
Company registered number	01956960
Charity registered number	296135
Registered office	52 High Road East Finchley London N2 9PJ
Independent auditors	Simmons Gainsford LLP 14th Floor 33 Cavendish Square London W1G 0PW
Bankers	Barclays Bank plc Crouch End Group PO Box 6549 London N8 9RJ

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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 2022. 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

a. Policies and objectives

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

a. Main achievements of the Company

This year marked a major stage in the transformation of the Phoenix to a successful and modern community cinema, following several years of challenging trading.

Following the previous year when the Phoenix – like all UK cinemas – was mostly closed due to COVID pandemic measures, it was able to begin to revert to normal trading. It reopened in May 2021, initially with socially distanced seating for screenings and, like all cinemas, its admissions remained lower during the year than before the pandemic.

Funding from the UK government's Culture Recovery Fund was essential to support the Phoenix through this challenging time when many customers were still wary of attending out-of-home entertainment and the programme of film releases was weaker due to the pandemic restricting production activity in 2020.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

a. Main achievements of the Company (continued)

We are grateful for these funds that allowed us to continue operating and to invest in some key initiatives to support us in the future. These included a sustainability audit, diversity and inclusion training ('Dignity and Respect in the workplace'), refurbishment of the cinema foyer and investment in a new PoS system.

While trading continued front of house, behind the scenes the cinema transformed its management and operation to a model which has, particularly since the end of the financial year under review, begun to deliver clear financial benefits, due to lower running costs, more efficient financial and operational management as well as a restructure of the management team to align front of house activity with the aims of the board.

This was enabled through an agreement in September 2021 with Regal Community Cinema Limited, under which the Executive Director of the successful Rio Cinema in Dalston took oversight of the Phoenix operations and brought in a proven model of running an independent community cinema.

The Phoenix has strong links with the local community, including through groups such as N2 United, The Archer newspaper, the East Finchley Festival and with local schools and other independent businesses around the High Road.

By the start of 2022, the Phoenix was running a full programme of community and education activities, including screenings for local schools, Into Film festival, Parent and Baby club, Captioned Screenings alongside partnerships with Black History Walks, the UK Jewish Film Festival and supporting the LGBTQIA community in Barnet. The cinema also continues to be the base for a weekly free-meals initiative, organised by the N2 Food Project.

Since the end of FY22, the board of trustees has been increasingly impressed by the achievements of the new management team in securing better trading income while re-establishing the Phoenix as a much-loved and valued part of its community and London's cultural life. We are confident that it is now in a stronger position than at any time in the past few years and look forward to overseeing its further development and growth.

At the start of 2021, the remaining Phoenix board, through open advertisement, recruited a number of new trustees and significantly increased the range of relevant knowledge and skills on the board. The new trustees, most of whom are residents of the local area, come from backgrounds in fundraising, various parts of the film and cinema industry as well as bringing essential legal and other governance skills to the board. This puts the board in a much stronger position to oversee the future development of the Phoenix as well as ensuring there succession planning for the chair and other roles.

Financially, trading was severely restricted due to the ongoing pandemic but the cinema's immediate future was secured through DCMS funding. Revenue for FY22 came in at £610k, expenses came in at £605k and the overall surplus was £5k. Of the revenue, £385k came from trading and £191k from funding/donations and £32k from government furlough support.

b. Overall performance

Trading revenue was £385K which is just over 50% of the £699k of trading revenue generated in FY20, the last full year of trading. Admissions were 26,783 as audiences were slow to return to the cinema amidst pandemic concerns with the Phoenix's audience being of an older demographic and therefore being more reticent than younger audiences. By way of comparison, FY20 saw 64,275 admissions.

Audience pick-up was slow, and the film slate was underwhelming compared to 2020 with no standout releases to compare with Parasite or Little Women.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

b. Overall performance (continued)

The new management team came in and quickly streamlined the expense base by optimising staffing, cutting unnecessary costs whilst making effective improvements to the overall look and feel of the Phoenix.

In the period since the end of March 2022, box office and F&B ('Food and Beverage') revenues have picked up, especially over the last 3 full months. Over the last three months, box office revenues are averaging £27k per month. There is still clearly room to grow admissions and revenues, but over the last six months' admissions have started to pick up (16,758 for the period June-December 2022) and the expectation is that January-March 2023 will be the best quarter since the cinema reopened after the pandemic.

c. Education and community programme

With the cinema having been closed for 18 months the education and community programme took some time to re-establish. Initially, schools were unable to authorise cinema trips and vulnerable groups were still avoiding social contact. COVID also had a very damaging impact on family releases, with most key titles going directly to streaming. This meant a dearth of content for the Saturday kids' club and waiting for the school holidays for a limited number of releases. However, by the start of 2022 links had been re-established with local schools and the cinema began to receive regular enquiries from community groups again.

Financial review

a. Financial review

The Phoenix was able to enter the year with a strong cash balance of £152k due to the DCMS support funding for the arts and entertainment industry, the furlough scheme and a large private donation.

Despite a challenging FY22, the cash position remained strong and was £88k at the end of March 2022.

Since the end of the year, the cinema has received its final instalment from the DCMS and a £58k insurance settlement from Hiscox. These are the final COVID-related cash injections into the business.

b. Financial position

The statement of financial activities for the year shows total incoming resources of £610k and total resources expended of £605k, resulting in a net surplus of £5k. This compares to income of £435k the previous year and a net surplus of £46k.

c. 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 £80k). 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 2022 were £58,872 (see note 18).

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

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

c. Reserves policy (continued)

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

d. Going concern

The cinema ends FY22 in a much stronger financial and operational position than for many years. The business has been optimised, admissions have stabilised, revenues are growing, and the outlook has not been better for many years.

e. Plans for future periods

Trading has been reasonable through the last few months with film receipts averaging £27k per month over the last three months (October to December 2022).

The board alongside the management team has developed a robust plan to build a second screen that would further secure the future of the business by growing and diversifying the revenue streams. While there would be significant, but cost effective, investment in the short-term, the longer-term payoff would be to create a thriving, modern and independent community cinema in north London.

With the current cash and trading positions in a good place despite the wider economic turmoil, now feels like the time to move forward with these plans.

Structure, governance and management

a. 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.

b. Appointment of trustees

During the year, one trustee left in January 2022. Having recruited six new trustees in early 2021, no replacement was recruited.

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.

c. 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 26 staff members compared to an average of 25 the previous year. Most are employed part-time.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

d. Related party relationships

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, except as disclosed in note 10 in the financial statements.

e. 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, with the DCMS support during the pandemic alongside bringing in a new management team the cinema is in a more secure financial position than it has been in many years.

At the start of FY22, the Phoenix maintained the social distancing measures implemented during FY21 to stem the spread of COVID. This ended in September 2021.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Simmons Gainsford LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Alison Gold

.....
Alison Gold

Trustee

Date: 31/1/2023 | 12:17 GMT

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PHOENIX CINEMA TRUST

Opinion

We have audited the financial statements of The Phoenix Cinema Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 2022 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; 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 United Kingdom, including the Financial Reporting Council'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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PHOENIX CINEMA TRUST
(CONTINUED)

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.

Opinion 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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' responsibilities statement, 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.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PHOENIX CINEMA TRUST
(CONTINUED)

Auditors' 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 Auditors' 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 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 controls over cash receipts;
- 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.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PHOENIX CINEMA TRUST
(CONTINUED)

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 and discussion with the same regarding any known or suspected instances of non-compliance and fraud;
- enquiries with the same concerning any actual or potential litigation or claims;
- obtaining an understanding of the relevant controls during the period;
- obtaining an understanding of the policies and controls over the recognition of income and control of cash receipts 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; and
- reviewing the minutes of Board meetings.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PHOENIX CINEMA TRUST
(CONTINUED)

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Pumfrey (Senior statutory auditor)

for and on behalf of

Simmons Gainsford LLP

Statutory Auditors

14th Floor

33 Cavendish Square

London

W1G 0PW

Date: 31/1/2023 | 12:48 GMT

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	47,339	143,964	191,303	206,700
Charitable activities	5	385,112	-	385,112	15,223
Investments	6	2	-	2	4
Other income	7	31,858	1,467	33,325	212,741
Total income		464,311	145,431	609,742	434,668
Expenditure on:					
Charitable activities	8	356,395	248,845	605,240	388,342
Total expenditure		356,395	248,845	605,240	388,342
Net movement in funds		107,916	(103,414)	4,502	46,326
Reconciliation of funds:					
Total funds brought forward		(30,744)	459,441	428,697	382,371
Net movement in funds		107,916	(103,414)	4,502	46,326
Total funds carried forward		77,172	356,027	433,199	428,697

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 17 to 33 form part of these financial statements.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 01956960

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	367,022	404,527
		<u>367,022</u>	<u>404,527</u>
Current assets			
Stocks	14	3,311	3,209
Debtors	15	34,112	28,591
Cash at bank and in hand		87,665	151,631
		<u>125,088</u>	<u>183,431</u>
Creditors: amounts falling due within one year	16	(58,911)	(155,261)
Net current assets		<u>66,177</u>	<u>28,170</u>
Total assets less current liabilities		<u>433,199</u>	<u>432,697</u>
Creditors: amounts falling due after more than one year	17	-	(4,000)
Total net assets		<u><u>433,199</u></u>	<u><u>428,697</u></u>
Charity funds			
Restricted funds	18	356,027	459,441
Unrestricted funds			
Designated funds	18	18,300	27,801
General funds	18	58,872	(58,545)
		<u>77,172</u>	<u>(30,744)</u>
Total funds		<u><u>433,199</u></u>	<u><u>428,697</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared and delivered in accordance with the provisions applicable to entities subject to the small companies regime.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 01956960

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Alison Gold

.....
Alison Gold

Trustee

Date: 31/1/2023 | 12:17 GMT

The notes on pages 17 to 33 form part of these financial statements.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(47,040)	108,105
Cash flows from investing activities		
Purchase of tangible fixed assets	(8,928)	(1,467)
Interest received	2	4
Net cash used in investing activities	(8,926)	(1,463)
Cash flows from financing activities		
Repayments of borrowing	(8,000)	(4,000)
Net cash used in financing activities	(8,000)	(4,000)
Change in cash and cash equivalents in the year	(63,966)	102,642
Cash and cash equivalents at the beginning of the year	151,631	48,989
Cash and cash equivalents at the end of the year	<u>87,665</u>	<u>151,631</u>

The notes on pages 17 to 33 form part of these financial statements

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 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.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.5 Expenditure

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

2.6 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any 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 basis:

Computer software	- 20% straight line
-------------------	---------------------

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- straight line over 30 years
Cafe bar	- straight line over 20 years
Air conditioning	- straight line over 15 years
Foyer improvements & additions	- straight line over 13 years
Fixtures and fittings	- 25% reducing balance
Seating	- straight line over 20 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2.8 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.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.13 Financial instruments

The Company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Grants	40,788	143,964	184,752	206,700
Gift aid income	6,551	-	6,551	-
	<u>47,339</u>	<u>143,964</u>	<u>191,303</u>	<u>206,700</u>
Total 2021	<u>122,392</u>	<u>84,308</u>	<u>206,700</u>	

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Film receipts	246,329	246,329	2,720
Cinema hire	31,422	31,422	5,561
Education and workshops	3,863	3,863	6,300
Friends subscriptions	35,547	35,547	-
Screen advertising	9,383	9,383	(256)
Confectionary and cafe bar	48,427	48,427	477
Merchandise	158	158	5
Other income	9,983	9,983	416
	<u>385,112</u>	<u>385,112</u>	<u>15,223</u>
Total 2021	<u>15,223</u>	<u>15,223</u>	

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest received	2	2	4
	<u>2</u>	<u>2</u>	<u>4</u>
Total 2021	<u>4</u>	<u>4</u>	

7. Other incoming resources

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Furlough support	31,858	-	31,858	212,741
Profit on disposal of fixed assets	-	1,467	1,467	-
	<u>31,858</u>	<u>1,467</u>	<u>33,325</u>	<u>212,741</u>
Total 2021	<u>212,741</u>	<u>-</u>	<u>212,741</u>	

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Staff costs	66,166	204,517	270,683	263,435
Film hire and festival costs	90,677	-	90,677	1,263
Programming fees	7,397	-	7,397	(226)
Cinema hire, education and workshops	21	-	21	559
Publicity and marketing	515	-	515	1,800
Confectionery and café bar purchases	6,933	-	6,933	3,907
Merchandise purchases	23,973	-	23,973	1,600
Fees and other staff costs	2,799	-	2,799	6,820
Other support costs	157,698	44,328	202,026	108,968
Fundraising costs	216	-	216	216
Total 2022	356,395	248,845	605,240	388,342
Total 2021	346,929	41,413	388,342	

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	270,683	-	270,683	263,435
Film hire and festival costs	90,677	-	90,677	1,263
Programming fees	7,397	-	7,397	(226)
Cinema hire, education and workshops	21	-	21	559
Publicity and marketing	515	-	515	1,800
Confectionery and café bar purchases	6,933	-	6,933	3,907
Merchandise purchases	23,973	-	23,973	1,600
Fees and other staff costs	2,799	-	2,799	6,820
Other support costs	-	202,026	202,026	108,968
Fundraising costs	216	-	216	216
	<u>403,214</u>	<u>202,026</u>	<u>605,240</u>	<u>388,342</u>
Total 2021	<u><u>276,374</u></u>	<u><u>111,968</u></u>	<u><u>388,342</u></u>	

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Depreciation	47,900	46,359
Legal and professional	35,274	5,695
Rent and rates	1,162	3,229
Insurance	8,324	7,632
Light and heat	10,561	8,104
Building repairs and maintenance	29,319	22,324
Equipment maintenance	31,741	2,933
Postage and stationery	608	1,271
Telephone	3,826	3,108
Sundries	3,043	100
Subscriptions and training	5,578	2,488
Booking fee charges	-	1,350
Bank charges	8,050	530
Governance costs	16,640	6,845
	<hr/> 202,026 <hr/>	<hr/> 111,968 <hr/>

10. Trustees and key management personnel

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year, no Trustee expenses have been incurred (2021 - £NIL).

The total amount of employee benefits received by key management personnel for their services to the trust was £48,221 (2021: £51,197).

In addition, consultancy fees of £34,264 (2021: £Nil) were paid for the services of a member of key management.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Staff costs

	2022 £	2021 £
Employment costs		
Wages and salaries	253,605	250,532
Social security costs	7,701	8,259
Staff pension costs	4,082	4,644
Temporary staff	5,295	-
	<u>270,683</u>	<u>263,435</u>

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Employees	<u>26</u>	<u>25</u>

No employee received remuneration amounting to more than £60,000 in either year.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Intangible assets

	Computer software £
Cost	
At 1 April 2021	5,000
At 31 March 2022	<u>5,000</u>
Amortisation	
At 1 April 2021	5,000
At 31 March 2022	<u>5,000</u>
Net book value	
At 31 March 2022	<u><u>-</u></u>
At 31 March 2021	<u><u>-</u></u>

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.

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Cafe bar £	Total £
Cost or valuation				
At 1 April 2021	581,892	113,819	791,105	1,486,816
Additions	-	10,395	-	10,395
Disposals	-	(9,638)	-	(9,638)
At 31 March 2022	581,892	114,576	791,105	1,487,573
Depreciation				
At 1 April 2021	571,015	95,946	415,328	1,082,289
Charge for the year	890	5,572	39,556	46,018
On disposals	-	(7,756)	-	(7,756)
At 31 March 2022	571,905	93,762	454,884	1,120,551
Net book value				
At 31 March 2022	9,987	20,814	336,221	367,022
At 31 March 2021	10,877	17,873	375,777	404,527

The property title deeds in respect of the above land and buildings are held by The Phoenix Cinema Trust Limited with a charge in place to the National Heritage Memorial Fund of £656,800.

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.

14. Stocks

	2022 £	2021 £
Finished goods and goods for resale	3,311	3,209

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	1,449	-
Other debtors	4,510	50
Prepayments and accrued income	28,153	28,541
	<u>34,112</u>	<u>28,591</u>

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	-	4,000
Trade creditors	25,451	46,900
Other taxation and social security	12,909	57,301
Other creditors	1,259	11,020
Accruals and deferred income	19,292	36,040
	<u>58,911</u>	<u>155,261</u>

17. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	<u>-</u>	<u>4,000</u>

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Capital fund	19,246	-	(3,572)	2,626	18,300
Entrance hall and canopy renovation fund	8,555	-	(1,314)	(7,241)	-
	<u>27,801</u>	<u>-</u>	<u>(4,886)</u>	<u>(4,615)</u>	<u>18,300</u>
General funds					
General funds	(58,545)	464,311	(351,509)	4,615	58,872
	<u>(58,545)</u>	<u>464,311</u>	<u>(351,509)</u>	<u>4,615</u>	<u>58,872</u>
Total Unrestricted funds	<u>(30,744)</u>	<u>464,311</u>	<u>(356,395)</u>	<u>-</u>	<u>77,172</u>
Restricted funds					
Capital fund	385,281	-	(44,328)	7,769	348,722
Education fund	7,305	-	-	-	7,305
BFI - non-capital expenditure	60,553	143,964	(204,517)	-	-
BFI - capital expenditure	6,302	1,467	-	(7,769)	-
	<u>459,441</u>	<u>145,431</u>	<u>(248,845)</u>	<u>-</u>	<u>356,027</u>
Total of funds	<u>428,697</u>	<u>609,742</u>	<u>(605,240)</u>	<u>-</u>	<u>433,199</u>

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
Designated funds				
Capital fund	24,083	-	(4,837)	19,246
Entrance hall and canopy renovation fund	8,555	-	-	8,555
	<u>32,638</u>	<u>-</u>	<u>(4,837)</u>	<u>27,801</u>
General funds				
General Funds - all funds	(82,725)	350,360	(326,180)	(58,545)
	<u>(82,725)</u>	<u>350,360</u>	<u>(326,180)</u>	<u>(58,545)</u>
Total Unrestricted funds	<u>(50,087)</u>	<u>350,360</u>	<u>(331,017)</u>	<u>(30,744)</u>
Restricted funds				
Capital fund	425,336	-	(40,055)	385,281
Education fund	7,122	742	(559)	7,305
BFI - non-capital expenditure	-	75,797	(15,244)	60,553
BFI - capital expenditure	-	7,769	(1,467)	6,302
	<u>432,458</u>	<u>84,308</u>	<u>(57,325)</u>	<u>459,441</u>
Total of funds	<u><u>382,371</u></u>	<u><u>434,668</u></u>	<u><u>(388,342)</u></u>	<u><u>428,697</u></u>

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Statement of funds (continued)

Designated funds

The designated fund consists of a Capital fund, this balance will fund future depreciation of fixed assets which were originally purchased using general funding.

The designated fund also included an Entrance Hall and Canopy Renovation fund, the purpose of this was to meet the cost of renovation and repair of the entrance hall and canopy of the Phoenix cinema. As this work was completed in the year, the remaining balance has been transferred to the General Fund.

Restricted funds

The restricted fund consists of a Capital fund, this balance will fund future depreciation of fixed assets which were originally purchased using restricted and matching funding.

The restricted fund also consists of an Education fund, this is a fund for specific education projects.

The restricted fund also consists of BFI expenditure funds. 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.

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	18,300	348,722	367,022
Current assets	117,783	7,305	125,088
Creditors due within one year	(58,911)	-	(58,911)
Total	77,172	356,027	433,199

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	19,246	385,281	404,527
Current assets	109,271	74,160	183,431
Creditors due within one year	(155,261)	-	(155,261)
Creditors due in more than one year	(4,000)	-	(4,000)
Total	<u>(30,744)</u>	<u>459,441</u>	<u>428,697</u>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	4,502	46,326
Adjustments for:		
Investment income recognised in statement of financial activities	(2)	(4)
Profit on disposal of tangible fixed assets - Restricted fund	(1,467)	-
Loss on disposal of tangible fixed assets - General fund	1,882	1,265
Depreciation and impairment of tangible fixed assets	46,018	45,094
Decrease/(increase) in stocks	(102)	1,285
Increase in debtors	(5,521)	(5,253)
Increase/(decrease) in creditors	(88,251)	19,079
Increase/(decrease) in deferred income	(4,099)	313
Net cash provided by/(used in) operating activities	<u>(47,040)</u>	<u>108,105</u>

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	<u>87,665</u>	<u>151,631</u>

THE PHOENIX CINEMA TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	151,631	(63,966)	87,665
Debt due within 1 year	(4,000)	4,000	-
Debt due after 1 year	(4,000)	4,000	-
	<u>143,631</u>	<u>(55,966)</u>	<u>87,665</u>