TYNESIDE CINEMA

England & Wales · Charity number 502592

Details

Other names	TYNESIDE CINEMA, TYNESIDE FILM THEATRE LIMITED
Status	Registered
Legal form	Charitable company
Company number	01113101
Registered	1973-08-07
Register	View on the Charity Commission register

Contact

Address	Tyneside Cinema Newe House 10 Pilgrim Street Newcastle upon Tyne NE1 6QG
Phone	0191 2275500
Email	boxoffice@tynesidecinema.co.uk
Website	www.tynesidecinema.co.uk

Activities

Objects: TO PROMOTE, MAINTAIN IMPROVE AND ADVANCE EDUCATION PARTICULARLY BY THE PROMOTION AND ENCOURAGEMENT OF THE APPRECIATION AND STUDY OF THE ARTS BY THE PUBLIC WITH A VIEW TO THE IMPROVEMENT OF THEIR ARTISTIC TASTES. (FOR FURTHER DETAILS SEE CLAUSE 3 OF MEMO)

Activities: Advancement of education, understanding and appreciation of the arts, including audio visual arts, primarily but not exclusively for the benefit of the public in the North East of England, through creation and presentation of moving image works, literature, music and live public events, educational and training projects and by any other charitable means.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Recreation
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NORTHUMBERLAND AND DURHAM
- Durham
- Gateshead
- Newcastle Upon Tyne City
- North Tyneside
- Northumberland
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£3,495,063	£3,493,506	£228,693	52
2024-09-30	£4,274,830	£5,478,347	£227,136	63
2023-03-31	£2,804,555	£4,023,996	£1,430,654	79
2022-03-31	£3,908,984	£3,490,524	£2,650,095	77
2021-03-31	£2,279,840	£2,975,271	£2,231,635	95
2020-03-31	£4,916,720	£5,310,329	£2,927,066	135

Trustees

Name	Role	Appointed
Deborah Louise Evans		2025-05-27
Elaine Taylor		2025-05-27
Iain Ashton Watson		2022-02-09
Iain David Wright		2023-01-18
Lindsey Alexandria Adams		2025-05-27
Sean Nicolson		2023-01-18
Stephanie Afua Achiamaa Edusei		2025-05-27

Accounts

Registered number: 1113101
Charity number: 502592

TYNESIDE CINEMA

(A Company Limited by Guarantee)

CONSOLIDATED TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

TYNESIDE CINEMA
(A Company Limited by Guarantee)

CONTENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 SEPTEMBER 2025

Company registered number	1113101
Charity registered number	502592
Registered office	Newe House 10 Pilgrim Street Newcastle upon Tyne NE1 6QG
Chief Executive Officer	Nicola Greenan
Chief Financial Officer	Danny Laws
Independent auditors	Kinnair Associates Limited Chartered Accountants Redburn Road Newcastle upon Tyne Tyne & Wear NE5 1NB

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2025

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 30 September 2025.

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee incorporated on 10 May 1973. It is governed by its memorandum and articles of association, last amended by special resolution on 30 July 2014. It is registered as a charity with the Charity Commission.

Each trustee is also a member of the charitable company. Each member undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

Recruitment and appointment of trustees

The directors of the company are also trustees of the charity. They are unpaid and give their time freely and generously, bringing to bear significant skills to support the staff. The board meets at least four times per year.

Trustees may serve a maximum of two consecutive terms of three years each. This ensures that the board is refreshed on a regular basis. The board has recently undertaken a trustee recruitment process. Potential applicants were invited to apply by advertisement on the charity’s website and through social media. The recruitment activity took account of advice that was sought on how best to diversify the composition of the board. All applications were reviewed by the board and a number of applicants were shortlisted and interviewed by a number of trustees. Appointments are made by the board.

Induction of trustees

A formal induction programme is provided to new trustees. This includes a tour of our premises, a written induction pack which includes the charity's business plan and governing documents and a copy of the staff handbook which details all of the charity’s operational policies.

Arrangements for setting key management personnel remuneration

All trustees give their time freely. None of the trustees receive remuneration for their work with the charity. Details of any related party transactions are disclosed in the notes to the accounts.

The appointment of senior managers and the setting of their remuneration are matters that are reserved to the board. The remuneration of senior managers is set in the light of each individual’s skills and expertise and current market rates for equivalent roles.

Organisational structure

The chief executive officer (CEO) and other senior managers are appointed by the board to manage the day to day operations of the charity.

The board meets at least four times per year. Detailed written board reports and an agenda are prepared by the senior managers of the charity and circulated in advance of meetings. Board meetings are attended by the chief executive and other members of the senior leadership team. Board decisions are made by simple majority vote.

A management committee comprising a number of trustees and the senior leadership team meets on a monthly basis to review current trading activities. Following each meeting, a report is provided to the board to enable all trustees to be appraised of operational matters.

The audit and risk committee currently consists of three trustees and two independent members, including the chair. It meets at least twice a year and reports to the board after each meeting.

Related parties and other connected charities and organisations

Tyneside Cinema Trading Co. Ltd is a wholly owned subsidiary company whose aim is to generate profits from its operations to provide an income stream to support the charity's charitable activities. All surpluses generated by this company that are not required for working capital purposes are donated by way of Gift Aid to the charity.

The subsidiary operates the Tyneside Bar Café and Vicolo which are situated on the ground floors of the cinema building. This subsidiary also operates an events business. This company has a licence from the charity to operate in the spaces it occupies. Some of the assets used by the subsidiary are also all owned by the charity and a fair charge is made for their use.

Services such as finance, accounting, marketing and administrative support are provided by the charity to the subsidiary. A fair charge is made for such provision.

The charity works in partnership with other charities, colleges, schools and other regional organisations to enhance the delivery and reach of its objectives.

Objective and activities

Tyneside Cinema is a cultural venue and social hub that has a unique heritage, its community value, and its place in UK independent film exhibition history. As the only full-time independent cinema in the north east of England, we play a vital part in the creative economy of Newcastle and the wider region. The group currently employs around 55 people (both full and part time). All surpluses are reinvested in support of our charitable objectives.

Our vision is to enrich the lives of people in the North East through film. Our mission is for people to be inspired, educated and entertained through the art of film. We value all aspects of film and its potential to connect, celebrate, educate, entertain and to help us make sense of our lives and the experiences of others.

Our heritage is evident in our 1930s Art Deco building, housing the last surviving newsreel theatre still showing films. Our more recent history as a ground-breaking independent cinema started in 1968 when the British Film Institute funded the reopening of the venue as the Tyneside Film Theatre and continued through the 70s, 80s and 90s. Between 2008 and 2015 the scale and profile of the cinema was developed through the addition of new screens and substantial investment in our hospitality venues, creating the opportunity for a more versatile programme and the ability to host a larger number of customers.

Fundraising disclosures

All fundraising is carried out with the full oversight of the trustees. Tyneside Cinema strives to provide an excellent service to all of our supporters and any complaints are dealt with by our service team. We continually review how we contact the public to ask for support. This ensures we follow regulations and meet our own high standards.

We take our responsibility towards supporters who may be considered vulnerable very seriously. Our fundraising and customer service teams are trained to respond sensitively and appropriately to any individual they may consider to be vulnerable.

There was no third-party fundraising and no related complaints made in the period.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Restructuring

The cinema reopened in August 2021 following a period of rebuilding and renovation as a consequence of the pandemic and serious flood damage sustained earlier in that year. Over the next two and half years, the group's management team was led by one long term and then a short term interim CEO. The board had intended to appoint a permanent CEO in the first half of 2023. However, the pandemic cast a very long shadow and in common with all cinemas, our audience returned more slowly than anticipated. As a result of significantly reduced trading income in all operations, it became apparent that the group's financial position would continue to deteriorate and the board decided to pause the CEO recruitment process until the group's finances had stabilised.

During the 2023 calendar year steps were taken to restructure the team and implement other cost saving measures. A fundraising appeal was launched as a result of which some £100,000 was raised in donations during the 2023 calendar year (a tremendous demonstration of the important role Tyneside Cinema plays in the region). With the support of its lenders, the group's long term debt was restructured and terms were agreed with the group's landlord for the settlement of outstanding rent. As a result of the very significant support shown by our customers, landlord and lenders, the board was then able to negotiate and in June 2024 draw down a new £700,000 loan which has provided working capital and enabled the group to make investments in the operations.

In anticipation of the group's long term finances being secured, the board was in a position to appoint a permanent CEO. In February 2024 Nic Greenan joined Tyneside Cinema as CEO. Nic brings more than two decades of experience in driving major strategic cultural programmes and capital projects in Yorkshire, being named Yorkshire Woman of the Year in 2017. She joined Tyneside Cinema following four successful years as Strategic Lead of City of Culture Policy & Events at Bradford MDC, where she played a pivotal role as part of the leadership team that won the UK City of Culture 2025 bid for Bradford. She also led on the successful bid to bring Brit School North to Bradford, and was instrumental in the development of The Unit, a new screen talent hub in partnership with Channel 4.

As a result of these positive developments, £545,000 of grants from the British Film Institute (BFI) and The National Lottery Heritage Fund were confirmed which have helped to fund a new audience development programme focused on film, music and food and also improve our Grade II-listed venue's carbon footprint.

Cinema

The cinema and our hospitality venues reopened in August 2021 since when audience numbers have gradually increased, but are still at a lower level than before the pandemic. We are now focused on building an audience base for the future and the development of a clear organisational personality that leverages our difference as a unique, independent space for film.

Despite the financial and operation challenges that we continued to face during the year, we worked hard to ensure that the Tyneside Cinema continued to be a home for great independent film, with a broad and diverse programme with appeal for a wide variety of audiences. We did this by hosting over 5,000 film screenings of more than 600 different films, representing more than 40 countries, from new releases to bold original programmes focused on a diverse range of themes in addition to our well established and much loved Halloween and Christmas programmes.

The business model for cinemas is very challenging with up to 60% of box office income being payable to film distributors. The pandemic has resulted in a change in customer behaviour. We cannot compete on price with home streaming and we do not believe it is appropriate to try to do so. Our challenge is to continue to show our audiences that the cinema experience is wholly different from watching a film at home. That means reminding returning customers and showing new customers what makes the traditional cinema experience so unique and what it feels like to watch a film in a heritage cinema. At the Tyneside Cinema we provide something that cannot be recreated at home: the excitement of going to see an eagerly anticipated new release film (who can forget the buzz of Barbie and Oppenheimer in 2023?) or a familiar, much loved classic (perhaps on 35mm film), sharing that experience with friends, family and neighbours in a packed cinema auditorium, making new memories, remembering the first film you saw at the cinema.

We remain committed to continuing to provide that special cinema experience as we have done for nearly 90 years. But that does mean that we have to charge a fair price that enables us to operate on a sustainable basis, so that we can continue to show film current and future generations. We continue to offer very significantly discounted prices for customers receiving universal credit, people in full time education, young people aged 16 and under, senior citizens and disabled people. We also provide dementia friendly and parent and child screenings together with targeted concessions for particular sections of our communities.

Events

Our building has a long and deep heritage and is a historically important part of the history of cinema in the region. While our cinemas are primarily used to show films to our audiences, the cinema building is available to hire as a venue for businesses and other organisations, film premieres, private parties and other events. There are opportunities to grow this activity without impinging on our public film programme and we see this as an important part of how Tyneside Cinema will establish a sound financial foundation.

Hospitality

Our hospitality business delivers important elements of our social and community ambitions by offering welcoming spaces in which to eat and drink. We see significant potential to develop and grow the profits generated by our hospitality venues which are an important part of how we finance our charitable activities. We will ensure that we remain commercially focused while continuing to provide a varied range of options for our customers in a safe environment in the city centre.

Engagement

In December 2022 Arts Council England announced that we had been unsuccessful in our application for core funding for our engagement programme. Sadly this meant that during 2023 it was necessary to pause our delivery of that programme.

In January 2026 we announced the launch of the Tyneside Talent Unit, funded by the Sir Graham Wylie Foundation. The Tyneside Talent Unit aims to remove barriers to entry for young people from diverse backgrounds, ensuring talent, not circumstance, determines who has the opportunity to succeed.

We are very proud of the collaborations and participatory projects with individuals, groups and communities that we have delivered. Our engagement activity included artist commissions, participatory projects with children, young people and adults from diverse communities and backgrounds together with events for the public and creative communities of the North East.

As the group’s finances stabilise, we remain very focused on generating surpluses from our business operations to invest in projects that ensure that we reach as many communities as possible in our region. We also intend to work with a broad range of funders, so that we can grow our engagement activities on a sustainable basis with the intention of broadening and deepening this work which is a vital part of our role in our city and our region.

Financial review

It continues to be a challenging time for Tyneside Cinema with audience numbers that although they are growing, remain significantly below pre-pandemic levels. We generate the vast majority of our income from our cinema, events and hospitality operations. During the year ended 30 September 2025 our income split was 80% earned and 20% grant income.

As referred to above, the group's long term restructuring plan has seen the group invest in its operations and implement operational changes that are intended to ensure that the group becomes a financially secure organisation that consistently generates operating surpluses. In the last 12 months the group has made good progress towards achieving the restructuring plan's financial goals. In the year to the end of 30 September 2025, the group made an operating deficit (not including grant income received in advance or expenditure on capital infrastructure) of £207,549. That compares with deficits of £1,203,518 in the 18 months to 30 September 2024 and £1,219,441 in the year to 31 March 2023. This shows significant progress has been made since the implementation of the restructuring plan and further operational improvements are expected to be delivered in future years.

The cash balance at the end of the period was £299,130. The group’s financial position was strengthened by our proactive action to reduce our cost base and grow income streams across the charity and trading company.

At the period end, the total funds of the group amounted to £228,693. However the majority is not freely available because the balance is invested in fixed assets or has a restriction for other purposes. The charity made a surplus for the year of £1,557 (2024: loss of £1,203,518) of which £186,077 was the recognition of grants in respect of which expenditure remains to be incurred. Without recognition of these, the group deficit would have been £184,520. The recognition of these grants, means the trustees anticipate a deficit in the 2026 year. The wholly owned subsidiary Tyneside Cinema Trading Co. Ltd made a profit of £105,329 (2024: £69,249).

Reserves policy

The funds of the group as at 30 September 2025 were £228,693, of which £1,069,198 were restricted, with a balance of unrestricted funds of £(840,545). Unrestricted funds include designated funds of £nil and fixed assets of £nil. Consequently, free unrestricted funds are in deficit by £840,505.

The trustees regularly review the reserve levels to ensure that they are appropriate. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Investment policy and powers

Under its articles of association, the charity has the power to invest in any way the trustees wish.

Plans for future periods

We are mid way through the second year of our transformation plan, and able to draw on the successes we’ve already achieved, including returning the Trading company to profit and increasing box office revenues ahead of pre covid years. Our plan for the future is to build our audiences, business skills and our resilience. We have a highly competent management team and a dedicated, confident staff. On this basis we are building our charity to ensure we achieve maximum income, margins and cultural value for our beneficiaries and we aim to be recognised as an exemplary employer. We will continue to develop the role and contribution of our board of trustees, linking them more closely with our senior leadership team to develop strategy and plans.

In May 2025 we welcomed a new chair, and five new trustees to the main board, as well as an independent director and observer to the trading company. All of whom bring a breadth of cross sector knowledge and experience to the Tyneside, that will see us go from strength to strength over the coming years and beyond.

Tyneside Cinema is a unique organisation that is vital to the cultural landscape of Newcastle and the North East. Through film, learning and hospitality we will continue to serve our audiences and guests as a world-class cinema and cultural venue.

Going concern

The charity’s detailed medium term forecasts indicate that the charity is able to continue as a going concern. These forecasts include assumptions regarding continuing increases in admissions (lower than current UK Box Office growth forecasts) and other hospitality income. With a stronger and evenly spread film release schedule, the continued recovery of post pandemic audiences, and sustained demand for city centre hospitality and event spaces, the sensitised growth modelled is considered to be achievable.

The £700,000 loan received from Northstar Ventures in June 2024, ongoing grants awarded from British Film Institute and Heritage Lottery Fund, as well as the negotiated capital repayment terms on long term loans, have provided the funds to support the strategic growth of the cinema and hospitality offering. This is being met with the continued growth of post pandemic cinema audiences, and a highly anticipated slate of film releases throughout the year, following industry strikes in previous years.

The trustees and the senior leadership team continue to investigate opportunities to enhance the long term sustainability of the charity, through improving the financial and trading performance of existing operations and expanding our audiences. The realignment of staff roles and responsibilities is yielding both cost savings and operational efficiencies and continuous reviews of contracted services have already delivered recurring annual savings, with more to achieved.

As a result of all the above considerations, the trustees consider the going concern basis to be appropriate.

Statement of trustees' responsibilities

The trustees (who are also the directors of Tyneside Cinema 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial period. 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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor
Kinnair Associates Limited were re-appointed auditor to the company on 8 January 2026 in accordance with section 485 of the Companies Act 2006, at the annual general meeting.

Approved by order of the members of the board of Trustees on 3 March 2026 and signed on their behalf by:

Signed by:

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S A A Edusei
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TYNESIDE CINEMA

Opinion

We have audited the financial statements of Tyneside Cinema (the 'parent charitable company') and its subsidiary (the 'Group') for the year ended 30 September 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 Group's and of the parent charitable company's affairs as at 30 September 2025 and of the Group's 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 and the Charities Act 2011.

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 Group 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 Group's or the parent 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. 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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:

- the engagement director ensured that the engagement team collectively have the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with trustees and other management, and from our commercial knowledge and experience of the culture sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Companies Act 2006, Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation and other legislation identified as being of significance in the context of the entity e.g. taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we ensured that the identified laws and regulations were communicated within the audit team regularly.

We assessed the susceptibility of the Group’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- requesting correspondence with HMRC, The Charity Commission and the Group’s legal advisors.

There are inherent limitations in our anticipated audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion

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.

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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

DocuSigned by:
Detlev Anderson
8228AFA7794A4DC...

Detlev Anderson (Senior Statutory Auditor)
for and on behalf of
Kinnair Associates Limited
Chartered Accountants
Statutory Auditors
Redburn Road
Newcastle upon Tyne
Tyne & Wear
NE5 1NB

Date: 06-Mar-2026

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Note	Restricted funds 30 September 2025 £	Unrestricted funds 30 September 2025 £	Total funds 30 September 2025 £	*Total funds 18 months ended 30 September 2024 £*
Income from:					
Donations and legacies	4	**673,667**	**38,104**	**711,771**	*425,953*
Charitable activities		**-**	**1,731,669**	**1,731,669**	*2,262,938*
Other trading activities	6	**-**	**1,034,835**	**1,034,835**	*1,584,959*
Investments	7	**-**	**6,531**	**6,531**	*980*
Other income		**-**	**10,257**	**10,257**	*-*
Total income		**673,667**	**2,821,396**	**3,495,063**	*4,274,830*
Expenditure on:					
Raising funds	8	**-**	**1,111,728**	**1,111,728**	*1,774,049*
Charitable activities	9	**605,926**	**1,775,852**	**2,381,778**	*3,704,299*
Total expenditure		**605,926**	**2,887,580**	**3,493,506**	*5,478,348*
Net income/(expenditure)		**67,741**	**(66,184)**	**1,557**	*(1,203,518)*
Transfers between funds	24	**(150,023)**	**150,023**	**-**	*-*
Net movement in funds		**(82,282)**	**83,839**	**1,557**	*(1,203,518)*
Reconciliation of funds:					
Total funds brought forward		**1,151,480**	**(924,344)**	**227,136**	*1,430,654*
Net movement in funds		**(82,282)**	**83,839**	**1,557**	*(1,203,518)*
Total funds carried forward		**1,069,198**	**(840,505)**	**228,693**	*227,136*

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 49 form part of these financial statements.

TYNESIDE CINEMA

(A Company Limited by Guarantee)
REGISTERED NUMBER: 1113101

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	16		**1,685,419**		*1,865,306*
Investments	17		**-**		*10,000*
			1,685,419		*1,875,306*
Current assets					
Stocks	18	**25,365**		*17,582*	
Debtors	19	**236,832**		*92,068*	
Cash at bank and in hand		**299,130**		*478,036*	
		561,327		*587,686*	
Current liabilities					
Creditors: amounts falling due within one year	20	**(768,542)**		*(882,078)*	
Net current liabilities			**(207,215)**		*(294,392)*
Total assets less current liabilities			**1,478,204**		*1,580,914*
Creditors: amounts falling due after more than one year	21		**(1,246,982)**		*(1,351,249)*
Provisions for liabilities			**(2,529)**		*(2,529)*
Net assets excluding pension asset			**228,693**		*227,136*
Total net assets			**228,693**		*227,136*
Charity funds					
Restricted funds	24		**1,069,198**		*1,151,480*
Unrestricted funds	24		**(840,505)**		*(924,344)*
Total funds			**228,693**		*227,136*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2025

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 in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 03 March 2026 and signed on their behalf by:

Signed by:

DADF17F291964BD...

S A A Edusei
Chair

The notes on pages 19 to 49 form part of these financial statements.

TYNESIDE CINEMA

(A Company Limited by Guarantee)
REGISTERED NUMBER: 1113101

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	16		**1,656,320**		*1,821,126*
Investments	17		**1**		*10,001*
			1,656,321		*1,831,127*
Current assets					
Stocks	18	**4,135**		*1,626*	
Debtors	19	**280,293**		*110,341*	
Cash at bank and in hand		**159,033**		*413,415*	
		443,461		*525,382*	
Current liabilities					
Creditors: amounts falling due within one year	20	**(556,029)**		*(613,499)*	
Net current liabilities			**(112,568)**		*(88,117)*
Total assets less current liabilities			**1,543,753**		*1,743,010*
Creditors: amounts falling due after more than one year	21		**(1,213,311)**		*(1,308,794)*
Net assets excluding pension asset			**330,442**		*434,216*
Total net assets			**330,442**		*434,216*
Charity funds					
Restricted funds	24		**1,069,198**		*1,161,127*
Unrestricted funds	24		**(738,756)**		*(726,911)*
Total funds			**330,442**		*434,216*

The Company's net movement in funds for the year was £(103,774) *(2024 - £(1,272,767))*.

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 in accordance with the provisions applicable to entities subject to the small companies regime.

COMPANY BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2025

The financial statements were approved and authorised for issue by the Trustees on 03 March 2026 and signed on their behalf by:

Signed by:

DADF17F291964BD...

S A A Edusei
Chair

The notes on pages 19 to 49 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Note	30 September 2025 £	*18 months ended 30 September 2024 £*
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	27	**144,423**	*(394,117)*
Cash flows from investing activities			
Interest from investments		**6,531**	*979*
Purchase of tangible fixed assets		**(234,377)**	*(37,599)*
Net cash used in investing activities		**(227,846)**	**(36,620)**
Cash flows from financing activities			
Cash inflows from new borrowing		**-**	*700,000*
Repayments of borrowing		**(95,483)**	*(150,673)*
Net cash (used in)/provided by financing activities		**(95,483)**	**549,327**
Change in cash and cash equivalents in the year		**(178,906)**	**118,590**
Cash and cash equivalents at the beginning of the year		**478,036**	*359,446*
Cash and cash equivalents at the end of the year	28	**299,130**	*478,036*

The notes on pages 19 to 49 form part of these financial statements

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales (company number 1113101) and consequently does not have share capital (referred to in these financial statements and reports as the "charity" and the "Company"). Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The entity is also registered with the Charity Commission in England and Wales (charity number 502592).

The registered office is Newe House, 10 Pilgrim Street, Newcastle upon Tyne, NE1 6QG.

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.

Tyneside Cinema 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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The financial statements are prepared in sterling which is the functional currency of the entity and rounded to the nearest pound.

2.2 Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 30 September 2025.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit for the financial period of £103,775 (2024: deficit of £1,272,767).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions and balances are eliminated in full.

2. Accounting policies (continued)

2.3 Going concern

The charity's detailed medium term forecasts indicate that the charity is able to continue as a going concern. These forecasts include assumptions regarding continuing increases in admissions (lower than current UK Box Office growth forecasts) and other hospitality income. With a stronger and evenly spread film release schedule, the continued recovery of post pandemic audiences, and sustained demand for city centre hospitality and event spaces, the sensitised growth modelled is considered to be achievable.

The £700,000 loan received from Northstar Ventures in June 2024, ongoing grants awarded from British Film Institute and Heritage Lottery Fund, as well as the negotiated capital repayment terms on long term loans, have provided the funds to support the strategic growth of the cinema and hospitality offering. This is being met with the continued growth of post pandemic cinema audiences, and a highly anticipated slate of film releases throughout the year, following industry strikes in previous years.

The trustees and the senior leadership team continue to investigate opportunities to enhance the long term sustainability of the charity, through improving the financial and trading performance of existing operations and expanding our audiences. The realignment of staff roles and responsibilities is yielding both cost savings and operational efficiencies and continuous reviews of contracted services have already delivered recurring annual savings, with more to achieved.

As a result of all the above considerations, the trustees consider the going concern basis to be appropriate.

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.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Income received in advance for shows are deferred until the screening or performance actually takes place.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and

2. Accounting policies (continued)

2.5 Expenditure (continued)

the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities upon the completion of the relevant performance-related conditions. Other grants that are not subject to performance-related conditions are credited to the Consolidated Statement of Financial Activities as the grant proceeds are received. Grants received prior to the revenue recognition criteria being satisfied are recognised as a liability.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Taxation

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

2. Accounting policies (continued)

2.9 Intangible assets - Website

Intangible assets are stated in the balance sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives..

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Website Costs	-	3-5 years

2.10 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 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, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	- Over the term of the lease
Fixtures and fittings	- 10-33% straight line
Office equipment	- 20% straight line
Computer equipment	- 20-33% straight line

2.11 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are shown at cost less provision for impairment.

2.12 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is determined using the first-in, first-out (FIFO) basis.

2. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 Liabilities

Liabilities and provisions 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.

2.16 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.17 Financial instruments

The Group 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.

2.18 Operating leases

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

2.19 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2. Accounting policies (continued)

2.20 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 Group 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 Group 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.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are considered to be no significant judgments (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which effect the amounts recognised in the financial statements.

4. Income from donations and legacies

	Restricted funds 30 September 2025 £	Unrestricted funds 30 September 2025 £	Total funds 30 September 2025 £
Donations	-	38,104	**38,104**
Grants	673,667	-	**673,667**
	673,667	38,104	**711,771**

4. Income from donations and legacies (continued)

	Restricted funds 18 months ended 30 September 2024	*Unrestricted funds 18 months ended 30 September 2024*	*Total funds 18 months ended 30 September 2024*
	£	*£*	*£*
Donations	-	*149,877*	*149,877*
Grants	*276,076*	-	*276,076*
	276,076	*149,877*	*425,953*

5. Income from charitable activities

	Unrestricted funds 30 September 2025 £	**Total funds 30 September 2025 £**
Cinema activities	1,394,583	**1,394,583**
Food and drink sales	139,831	**139,831**
Facilities hire	152,981	**152,981**
Advertising	40,778	**40,778**
Merchandise	3,496	**3,496**
	1,731,669	**1,731,669**

	Unrestricted funds 18 months ended 30 September 2024 £	*Total funds 18 months ended 30 September 2024 £*
Cinema activities	*1,798,972*	*1,798,972*
Food and drink sales	*219,433*	*219,433*
Facilities hire	*173,149*	*173,149*
Advertising	*66,691*	*66,691*
Merchandise	*4,694*	*4,694*
	2,262,939	*2,262,939*

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 30 September 2025 £	**Total funds 30 September 2025 £**	*Total funds 18 months ended 30 September 2024 £*
Trading income - Tyneside Cinema Trading Co. Ltd	1,034,835	**1,034,835**	*1,584,959*

7. Investment income

	Unrestricted funds 30 September 2025 £	**Total funds 30 September 2025 £**	*Total funds 18 months ended 30 September 2024 £*
Bank interest received	6,531	**6,531**	*980*

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 30 September 2025 £	**Total funds 30 September 2025 £**	*Total funds 18 months ended 30 September 2024 £*
Cost of sales	354,113	**354,113**	*519,324*
Establishment costs	112,455	**112,455**	*173,475*
General administrative expenses	27,077	**27,077**	*61,934*
Finance charges	25,327	**25,327**	*34,363*
Interest payable	4,059	**4,059**	*9,083*
Wages and salaries	492,720	**492,720**	*793,582*
NI	36,035	**36,035**	*46,534*
Pension costs	8,360	**8,360**	*12,426*
Depreciation	19,368	**19,368**	*33,367*
Allocated centrally incurred fundraising and governance costs	32,214	**32,214**	*89,961*
	1,111,728	**1,111,728**	*1,774,049*

9. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 30 September 2025 £	**Unrestricted funds 30 September 2025 £**	**Total 30 September 2025 £**
Charitable income	605,926	1,775,852	**2,381,778**

9. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Restricted funds 18 months ended 30 September 2024 £	*Unrestricted funds 18 months ended 30 September 2024 £*	*Total 18 months ended 30 September 2024 £*
Charitable income	*860,843*	*2,843,456*	*3,704,299*

10. Analysis of expenditure by activities

	Activities undertaken directly 30 September 2025 £	**Support costs 30 September 2025 £**	**Total funds 30 September 2025 £**
Charitable income	1,169,915	1,211,863	**2,381,778**

	Activities undertaken directly 18 months ended 30 September 2024 £	*Support costs 18 months ended 30 September 2024 £*	*Total funds 18 months ended 30 September 2024 £*
Charitable income	*1,857,598*	*1,846,701*	*3,704,299*

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable Income 30 September 2025 £	**Total funds 30 September 2025 £**	*Total funds 18 months ended 30 September 2024 £*
Staff costs	489,794	**489,794**	*1,049,789*
Direct - Premises costs	11,046	**11,046**	*13,427*
Direct - Activity costs	664,134	**664,134**	*789,244*
Other staff costs	4,941	**4,941**	*5,138*
	1,169,915	**1,169,915**	*1,857,598*

Analysis of support costs

	Charitable Income 30 September 2025 £	**Total funds 30 September 2025 £**	*Total funds 18 months ended 30 September 2024 £*
Staff costs	233,653	**233,653**	-
Depreciation	394,896	**394,896**	*696,219*
Premises costs	361,309	**361,309**	*655,092*
Operating lease charges	581	**581**	*91,272*
Other support costs	198,219	**198,219**	*358,095*
Governance - Audit fees	7,470	**7,470**	*25,702*
Governance - Other costs	15,735	**15,735**	*20,321*
	1,211,863	**1,211,863**	*1,846,701*

11. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £7,470 *(2024 - £9,000)*, and other fees in connection with the preparation of the financial statements of the group and subsidiary and for the preparation of a corporation tax return of £4,400 (*2024 - £3,275*).

12. Staff costs

	Group 30 September 2025 £	*Group 18 months ended 30 September 2024 £*	**Charitable company 30 September 2025 £**	*Charitable company 18 months ended 30 September 2024 £*
Wages and salaries	**1,174,959**	*1,833,227*	**682,239**	*1,039,645*
Social security costs	**95,786**	*127,471*	**59,751**	*80,937*
Contribution to defined contribution pension schemes	**22,031**	*31,594*	**13,671**	*19,168*
	1,292,776	*1,992,292*	**755,661**	*1,139,750*

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

	Group 30 September 2025 No.	*Group 18 months ended 30 September 2024 No.*	**Charitable company 30 September 2025 No.**	*Charitable company 18 months ended 30 September 2024 No.*
Charitable activities and raising funds	**45**	*57*	**20**	*26*
Management and administration	**7**	*6*	**7**	*6*
	52	*63*	**27**	*32*

12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 30 September 2025 No.	*Group 18 months ended 30 September 2024 No.*
In the band £70,001 - £80,000	**1**	-

The total employee benefits of the key management personnel of the group were £209,660 (2024: £93,379).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 30 September 2025, no Trustee expenses have been incurred *(2024 - £NIL)*.

14. Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

15. Intangible assets

Group and Charitable company

	Website £
Cost	
At 1 October 2024	**55,857**
At 30 September 2025	**55,857**
Amortisation	
At 1 October 2024	**55,857**
At 30 September 2025	**55,857**
Net book value	
At 30 September 2025	**-**
At 30 September 2024	-

16. Tangible fixed assets

Group

	Long-term leasehold property £	Fixtures and fittings £	Cinema technical equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 October 2024	**8,155,687**	**385,318**	**145,680**	**-**	**8,686,685**
Additions	**-**	**231,712**	**798**	**1,867**	**234,377**
At 30 September 2025	**8,155,687**	**617,030**	**146,478**	**1,867**	**8,921,062**
Depreciation					
At 1 October 2024	**6,452,396**	**257,741**	**111,242**	**-**	**6,821,379**
Charge for the year	**353,498**	**52,108**	**8,658**	**-**	**414,264**
At 30 September 2025	**6,805,894**	**309,849**	**119,900**	**-**	**7,235,643**
Net book value					
At 30 September 2025	**1,349,793**	**307,181**	**26,578**	**1,867**	**1,685,419**
At 30 September 2024	*1,703,291*	*127,577*	*34,438*	*-*	*1,865,306*

16. Tangible fixed assets (continued)

Charitable company

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 October 2024	**8,155,687**	**248,088**	**145,680**	**-**	**8,549,455**
Additions	**-**	**227,425**	**798**	**1,867**	**230,090**
At 30 September 2025	**8,155,687**	**475,513**	**146,478**	**1,867**	**8,779,545**
Depreciation					
At 1 October 2024	**6,452,396**	**164,691**	**111,242**	**-**	**6,728,329**
Charge for the year	**353,498**	**32,740**	**8,658**	**-**	**394,896**
At 30 September 2025	**6,805,894**	**197,431**	**119,900**	**-**	**7,123,225**
Net book value					
At 30 September 2025	**1,349,793**	**278,082**	**26,578**	**1,867**	**1,656,320**
At 30 September 2024	*1,703,291*	*83,397*	*34,438*	*-*	*1,821,126*

17. Fixed asset investments

Group

	Artwork £
At 1 October 2024	10,000
Disposals	(10,000)

Company	Investments in subsidiary companies £	Artwork £	Total £
Cost or valuation			
At 1 October 2024	1	10,000	10,001
Disposals	-	(10,000)	(10,000)
At 30 September 2025	1	-	1

The artwork was written off in the year.

The company owns the entire £1 share capital of Tyneside Cinema Trading Co. Ltd (company number 8804734), which is incorporated in England and Wales. See the Principal subsidiaries note below for further details.

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
Tyneside Cinema Trading Co. Ltd	8804734	Newe House, 10 Pilgrim Street, Newcastle upon Tyne, NE1 6QG	Operation of licensed bar, cafe and events business

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

17. Fixed asset investments (continued)

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the period £	Net liabilities £
Tyneside Cinema Trading Co. Ltd	**1,184,974**	**1,079,645**	**105,329**	**(101,749)**

Summary Statement of Comprehensive Income

	2025 £	*2024 £*
Turnover	**1,184,974**	*1,753,338*
Cost of sales	**(354,113)**	*(519,325)*
Administrative expenses	**(723,861)**	*(1,164,764)*
Net profit	**107,000**	*69,249*

The assets and liabilities of the subsidiary were:

	2025 £	*2024 £*
Fixed assets	**29,098**	*44,179*
Current assets	**202,637**	*137,182*
Creditors: amounts falling due within one year	**(295,613)**	*(343,455)*
Creditors: amounts falling due after more than one year	**(33,671)**	*(42,455)*
Deferred tax	**(2,529)**	*(2,529)*
Total net liabilities	**(100,078)**	*(207,078)*

18. Stocks

	Group 2025 £	*Group 2024 £*	Charitable company 2025 £	*Charitable company 2024 £*
Finished goods and goods for resale	**25,365**	*17,582*	**4,135**	*1,626*

19. Debtors

	Group 2025 £	*Group 2024 £*	**Charitable company 2025 £**	*Charitable company 2024 £*
Due within one year				
Trade debtors	**25,328**	*38,614*	**6,601**	*987*
Amounts owed by group undertakings	**-**	*-*	**84,771**	*74,877*
Other debtors	**2,891**	*22,554*	**-**	*6,367*
Prepayments and accrued income	**208,613**	*30,900*	**188,921**	*28,110*
	236,832	*92,068*	**280,293**	*110,341*

20. Creditors: Amounts falling due within one year

	Group 2025 £	*Group 2024 £*	**Charitable company 2025 £**	*Charitable company 2024 £*
Bank loans	**41,811**	*41,811*	**33,027**	*33,027*
Other loans	**58,075**	*8,646*	**58,075**	*8,646*
Trade creditors	**184,847**	*229,440*	**138,722**	*177,675*
Other taxation and social security	**95,236**	*193,868*	**37,927**	*75,820*
Other creditors	**61,056**	*17,071*	**58,708**	*14,100*
Accruals and deferred income	**327,517**	*391,242*	**229,570**	*304,231*
	768,542	*882,078*	**556,029**	*613,499*

Accruals and deferred income includes deferred income received in advance of £105,520 as set out below.

	Group 2025 £	*Group 2024 £*	**Charitable company 2025 £**	*Charitable company 2024 £*
Deferred income at 1 October 2024	**175,204**	*25,824*	**136,296**	*-*
Resources deferred during the year	**105,520**	*175,204*	**131,668**	*136,296*
Amounts released from previous periods	**(175,204)**	*(25,824)*	**(136,296)**	*-*
	105,520	*175,204*	**131,668**	*136,296*

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

	Group 2025 £	*Group 2024 £*	**Charitable company 2025 £**	*Charitable company 2024 £*
Bank loans	**160,275**	*202,086*	**126,604**	*159,631*
Other loans	**1,086,707**	*1,149,163*	**1,086,707**	*1,149,163*
	1,246,982	*1,351,249*	**1,213,311**	*1,308,794*

Included within the above are amounts falling due as follows:

	Group 2025 £	*Group 2024 £*	**Charitable company 2025 £**	*Charitable company 2024 £*
Between two and five years				
Bank loans	**160,275**	*167,243*	**126,604**	*132,108*
Other loans	**278,385**	*241,470*	**278,385**	*241,470*
Over five years				
Bank loans	**-**	*34,843*	**-**	*27,523*
Other loans	**808,322**	*907,693*	**808,322**	*907,693*

Bank loans comprise two loans of £595,000 in total made by HSBC to the Company and the subsidiary under the Coronavirus Business Interruption Loan Scheme that were taken out in July 2020. Repayment of these loans was over five years starting in August 2021. Interest rates are 3.99% over the Bank of England base rate. In June 2024 the loan terms were extended to August 2030.

The HSBC loans are secured by debentures, fixed and floating charges granted by the charity and its subsidiary and two mortgages over its leasehold property granted by the charity.

Other loans comprise loans from Newcastle City Council and North East Social Fund LP.

In June 2024 the interest charged on the loan from Newcastle City Council was amended to be 3.43% and the loan term was extended to 2065. The loan is secured by a charge over one of the charity's leasehold premises.

The loan from North East Social Fund LP carries an interest rate of 7% per annum and a loan term ending in January 2035. The loan is secured by debentures, fixed and floating charges and cross guarantees granted by the charity and its subsidiary.

22. Financial instruments

	Group 2025 £	*Group 2024 £*	Charitable company 2025 £	*Charitable company 2024 £*
Financial assets				
Financial assets measured at fair value through income and expenditure	**299,130**	*478,036*	**159,033**	*413,415*

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

23. Deferred taxation

Group

	2025 £
At the beginning of the year	**2,529**
	2,529

Charitable company

The deferred tax liability is made up as follows:

	Group 2025 £	*Group 2024 £*
Accelerated capital allowances	**(2,529)**	*(2,529)*
	(2,529)	*(2,529)*

24. Statement of funds

Statement of funds - current year

	Balance at 1 October 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 September 2025 £
Unrestricted funds					
General Funds	(924,344)	2,821,396	(2,887,580)	150,023	(840,505)
Restricted funds					
Capital development	1,113,980	-	(328,359)	-	785,621
BFI Audiences Fund	-	227,000	(152,000)	-	75,000
Point North grant	37,500	-	(23,340)	(14,160)	-
British Museums Where We Are	-	4,000	(3,423)	-	577
Historic England grant	-	12,115	(12,115)	-	-
National Lottery Heritage Fund	-	185,601	(58,520)	(127,081)	-
James Knott Trust grant	-	25,000	(10,166)	5,166	20,000
MOBOs Fringe Schools Project	-	11,000	(11,000)	-	-
NBSL Grant	-	2,250	(2,250)	-	-
Newcastle Best Grant	-	13,948	-	(13,948)	-
Reach grant	-	4,753	(4,753)	-	-
Sir Graham Wylie Foundation	-	178,000	-	-	178,000
Beyond the Screen	-	10,000	-	-	10,000
	1,151,480	673,667	(605,926)	(150,023)	1,069,198
Total of funds	227,136	3,495,063	(3,493,506)	-	228,693

24. Statement of funds (continued)

The specific purposes for which the funds are to be applied are as follows:

General reserves - the general reserve represent the free funds of the charity which are not designated for any particular purpose.

Restricted funds:

Capital Development fund - relates to funds provided for the refurbishment and modernisation of the charity's premises.

BFI Audiences Fund - supporting projects that help UK audiences discover, engage with, and enjoy a broader range of independent and diverse film, particularly reaching people and communities who are currently underserved.

Point North grant - to fund business development role for increasing income streams, and improving energy efficiency.

British Museums Where We Are - Funding via the Paul Hamlyn Foundation to deliver a programme engaging disadvantaged young people from Tyneside in a creative project.

Historic England - supports creative projects that use historic places and public spaces to engage communities, bring heritage to life, and broaden access to culture beyond traditional arts buildings.

National Lottery Heritage Fund - supports projects that protect, share, and celebrate the UK’s heritage by involving communities in preserving places, stories, and traditions for present and future generations.

James Knott Trust - Funding to support wider engagement of young people within Tyneside Cinema's programme, with the view to encourage usership of the newly developed 'Talent Unit'.

MOBOs Fringe Schools Project – A partnership of local councils to encourage the legacy of the MOBO awards help in Newcastle, by engaging young people in music and creation.

NBSL Grant - to build skills and capacity by subsidising professional marketing training that helps them grow, reach new audiences, and become more sustainable.

Newcastle Best Grant - supports organisations and businesses to improve energy efficiency by funding measures that reduce energy use, cut carbon emissions, and lower running costs.

Reach – funding for business planning and financial forecasting.

Sir Graham Wylie Foundation - supports emerging film and screen talent in the North East by providing training, development opportunities, and industry pathways to help local creators build sustainable careers.

Beyond The Screen - supports the creation of new and engaging cinema viewing experiences that enhance how audiences connect with film.

24. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £	*Income £*	*Expenditure £*	*Balance at 30 September 2024 £*
Unrestricted funds				
General Funds	*(305,593)*	*3,998,753*	*(4,617,504)*	*(924,344)*
Restricted funds				
Capital development	*1,736,247*	*-*	*(622,267)*	*1,113,980*
Arts Council	*-*	*73,829*	*(73,829)*	*-*
BFI Audiences Fund	*-*	*155,100*	*(155,100)*	*-*
Point North grant	*-*	*37,500*	*-*	*37,500*
Access Reach fund	*-*	*9,647*	*(9,647)*	*-*
	1,736,247	*276,076*	*(860,843)*	*1,151,480*
Total of funds	*1,430,654*	*4,274,829*	*(5,478,347)*	*227,136*

25. Summary of funds

Summary of funds - current year

	Balance at 1 October 2024 £	**Income £**	**Expenditure £**	**Transfers in/out £**	**Balance at 30 September 2025 £**
General funds	**(924,344)**	**2,821,396**	**(2,887,580)**	**150,023**	**(840,505)**
Restricted funds	**1,151,480**	**673,667**	**(605,926)**	**(150,023)**	**1,069,198**
	227,136	**3,495,063**	**(3,493,506)**	**-**	**228,693**

25. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2023 £	*Income £*	*Expenditure £*	*Balance at 30 September 2024 £*
General funds	*(305,593)*	*3,998,753*	*(4,617,504)*	*(924,344)*
Restricted funds	*1,736,247*	*276,076*	*(860,843)*	*1,151,480*
	1,430,654	*4,274,829*	*(5,478,347)*	*227,136*

26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2025 £	**Unrestricted funds 2025 £**	**Total funds 2025 £**
Tangible fixed assets	785,621	899,798	**1,685,419**
Current assets	283,577	277,750	**561,327**
Creditors due within one year	-	(768,542)	**(768,542)**
Creditors due in more than one year	-	(1,246,982)	**(1,246,982)**
Provisions for liabilities and charges	-	(2,529)	**(2,529)**
Total	1,069,198	(840,505)	**228,693**

26. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2024 £	*Unrestricted funds 2024 £*	*Total funds 2024 £*
Tangible fixed assets	*1,113,980*	*751,326*	*1,865,306*
Fixed asset investments	-	*10,000*	*10,000*
Current assets	*37,500*	*550,186*	*587,686*
Creditors due within one year	-	*(882,078)*	*(882,078)*
Creditors due in more than one year	-	*(1,351,249)*	*(1,351,249)*
Provisions for liabilities and charges	-	*(2,529)*	*(2,529)*
Total	*1,151,480*	*(924,344)*	*227,136*

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

	Group 2025 £	*Group 18 months ended 2024 £*
Net income/expenditure for the year (as per Statement of Financial Activities)	**1,557**	*(1,203,518)*
Adjustments for:		
Depreciation charges	**414,264**	*727,523*
Amortisation charges	**-**	*2,064*
Dividends, interests and rents from investments	**(6,531)**	*(979)*
Loss on the sale of fixed assets	**10,000**	-
Decrease/(increase) in stocks	**(7,783)**	*3,471*
Decrease/(increase) in debtors	**(144,764)**	*43,148*
Increase/(decrease) in creditors	**(122,320)**	*34,174*
Net cash provided by/(used in) operating activities	**144,423**	*(394,117)*

28. Analysis of cash and cash equivalents

	Group 2025 £	*Group 2024 £*
Cash in hand	**241,744**	*277,129*
Notice deposits (less than 3 months)	**57,386**	*200,907*
Total cash and cash equivalents	**299,130**	*478,036*

29. Analysis of changes in net debt

	At 1 October 2024 £	**Cash flows £**	**At 30 September 2025 £**
Cash at bank and in hand	**478,036**	**(178,906)**	**299,130**
Debt due within 1 year	**(50,457)**	**(49,429)**	**(99,886)**
Debt due after 1 year	**(1,351,249)**	**104,267**	**(1,246,982)**
	(923,670)	**(124,068)**	**(1,047,738)**

30. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £22,031 (2024: £31,594).

Contributions totalling £5,142 (2024: £4,595) were payable to the fund at the balance sheet date and are included in creditors.

31. Operating lease commitments

At 30 September 2025 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	*Group 2024 £*	**Charitable company 2025 £**	*Charitable company 2024 £*
Not later than 1 year	**105,000**	*65,625*	**50,000**	*26,255*
Later than 1 year and not later than 5 years	**541,563**	*528,313*	**256,250**	*251,250*
Later than 5 years	**1,919,741**	*2,037,991*	**869,000**	*924,000*
	2,566,304	*2,631,929*	**1,175,250**	*1,201,505*

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2025 £	*Group 2024 £*	**Charitable company 2025 £**	*Charitable company 2024 £*
Operating lease rentals	**45,739**	*146,599*	**581**	*91,272*
Changes in lease payments arising from COVID-19 related rent concessions	**-**	*-*	**-**	*-*

32. Commitments

Grants previously made by the European Regional Development Fund, BFI and Heritage Lottery Fund are repayable if the charity breaches the terms of the agreement with the grant funders, undergoes a significant change in status, ceases to operate or is declared insolvent within the period to 2028 for the European Regional Development Fund and 2031 for the Heritage Lottery Fund. Annual depreciation regarding the property is being charged annually against the restricted funds.

The agreement with the National Lottery Heritage Fund is secured by a legal charge over the leasehold property at 10 Pilgrim Street, Newcastle upon Tyne.

33. Related party transactions

The charity has taken the exemption contained within FRS 102 for disclosing transactions with its wholly owned subsidiary as consolidated financial statements are prepared.

During the year, the charity received film related and decorating services totalling £5,600 from Anthony Gannie, the partner of CEO Nicola Greenan. The charity also received film related services totalling £3,307 from Gan Canny Productions Ltd, a company in which Anthony Gannie was a director and shareholder.

Additionally, there was a general donation of £400 to the charity from three trustees during the year ended 30 September 2025.

Accounts

Registered number: 1113101
Charity number: 502592

TYNESIDE CINEMA

(A Company Limited by Guarantee)

CONSOLIDATED TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2024

TYNESIDE CINEMA
(A Company Limited by Guarantee)

CONTENTS

TYNESIDE CINEMA

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

Trustees	B H Ashton (resigned 27 September 2023) J P Beirne C Binns (resigned 20 June 2023) A A Fellows (resigned 20 June 2023) S Nicolson J L Shepstone (resigned 20 June 2023) N J Short I A Watson I D Wright
Company registered number	1113101
Charity registered number	502592
Registered office	Newe House 10 Pilgrim Street Newcastle upon Tyne NE1 6QG
Chief Executive Officer	Nicola Greenan
Chief Financial Officer	Danny Laws
Independent auditors	Kinnair Associates Limited Chartered Accountants Redburn Road Newcastle upon Tyne Tyne & Wear NE5 1NB

TRUSTEES' REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the 18 month period ended 30 September 2024.

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee incorporated on 10 May 1973. It is governed by its memorandum and articles of association, last amended by special resolution on 30 July 2014. It is registered as a charity with the Charity Commission.

Each trustee is also a member of the charitable company. Each member undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Recruitment and appointment of trustees

The directors of the company are also trustees of the charity. They are unpaid and give their time freely and generously, bringing to bear significant skills to support the staff. The board meets at least four times per year.

Trustees may serve a maximum of two consecutive terms of three years each. This ensures that the board is refreshed on a regular basis. The board has recently undertaken a trustee recruitment process. Potential applicants were invited to apply by advertisement on the charity’s website and through social media. The recruitment activity took account of advice that was sought on how best to diversify the composition of the board. All applications were reviewed by the board and a number of applicants were shortlisted and interviewed by a number of trustees. It is anticipated that a number of new trustees will be appointed shortly.

Induction and training of trustees

A formal induction programme is provided to new trustees. This includes a tour of our premises, a written induction pack which includes the charity's business plan and governing documents and a copy of the staff handbook which details all of the charity’s operational policies.

Training is provided periodically to ensure that all trustees have a good understanding of the role and responsibilities of trustees.

Arrangements for setting key management personnel remuneration

All trustees give their time freely. None of the trustees receive remuneration for their work with the charity. Details of any related party transactions are disclosed in the notes to the accounts.

The appointment of senior managers and the setting of their remuneration are matters that are reserved to the board. The remuneration of senior managers is set in the light of each individual’s skills and expertise and current market rates for equivalent roles.

Organisational structure

The Chief Executive Officer (CEO) and other senior managers are appointed by the board to manage the day to day operations of the charity.

The board meets at least four times per year. Detailed written board reports and an agenda are prepared by the senior managers of the charity and circulated in advance of meetings. Board meetings are attended by the

Chief Executive and (as appropriate) other members of the senior leadership team. Board decisions are made by simple majority vote.

A management committee comprising a number of trustees and the senior leadership team meets on a monthly basis to review current trading activities. Following each meeting, a report is provided to the board to enable all trustees to be appraised of operational matters.

The audit and risk committee currently consists of three trustees. It meets at least twice a year and reports to the board after each meeting.

Related parties and other connected charities and organisations

Tyneside Cinema Trading Co. Ltd is a wholly owned subsidiary company whose aim is to generate profits from its operations to provide an income stream to support the charity's charitable activities. All surpluses generated by this company that are not required for working capital purposes are donated by way of Gift Aid to the charity.

The subsidiary operates the Tyneside Bar Café and Vicolo which are situated on the ground floors of the cinema building. This subsidiary also operates an events business. This company has a licence from the charity to operate in the spaces it occupies. Some of the assets used by the subsidiary are also all owned by the charity and a fair charge is made for their use.

Services such as finance, accounting, marketing and administrative support are provided by the charity to the subsidiary. A fair charge is made for such provision.

The charity works in partnership with other charities, colleges, schools and other regional organisations to enhance the delivery and reach of its objectives.

Objective and activities

Tyneside Cinema is a cultural venue and social hub that has a unique heritage, its community value, and its place in UK independent film exhibition history. As the only full-time independent cinema in the North East of England, we play a vital part in the creative economy of Newcastle and the wider region. The group currently employs around 60 people (both full and part time). All surpluses are reinvested in support of our charitable objectives.

Our vision is to enrich the lives of people in the North East through film. Our mission is for people to be inspired, educated and entertained through the art of film. We value all aspects of film and its potential to connect, celebrate, educate, entertain and to help us make sense of our lives and the experiences of others.

Our heritage is evident in our 1930s Art Deco building, housing the last surviving newsreel theatre still showing films. Our more recent history as a ground-breaking independent cinema started in 1968 when the British Film Institute funded the reopening of the venue as the Tyneside Film Theatre and continued through the 70s, 80s and 90s. Between 2008 and 2015 the scale and profile of the cinema was developed through the addition of new screens and substantial investment in our hospitality venues, creating the opportunity for a more versatile programme and the ability to host a larger number of customers.

Fundraising disclosures

All fundraising is carried out with the full oversight of the trustees. Tyneside Cinema strives to provide an excellent service to all of our supporters and any complaints are dealt with by our service team. We continually review how we contact the public to ask for support. This ensures we follow regulations and meet our own high standards.

We take responsibility towards supporters who may be considered vulnerable very seriously. Our fundraising and customer service teams are trained to respond sensitively and appropriately to any individual they may consider to be vulnerable.

There was no third-party fundraising and no complaints in the period.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Restructuring

The cinema reopened in August 2021 following a period of rebuilding and renovation as a consequence of the pandemic and serious flood damage sustained earlier in that year. Over the next two and half years, the group's management team was led by one long term and then a short term interim CEO. The board had intended to appoint a permanent CEO in the first half of 2023. However, the pandemic cast a very long shadow and in common with all cinemas, our audience returned more slowly than anticipated. As a result of significantly reduced trading income in all operations, it became apparent that the group's financial position would continue to deteriorate and the board decided to pause the CEO recruitment process until the group's finances had stabilised.

During the 2023 calendar year steps were taken to restructure the team and implement other cost saving measures. A fundraising appeal was launched as a result of which some £100,000 was raised in donations during the 2023 calendar year (a tremendous demonstration of the important role Tyneside Cinema plays in the region). With the support of its lenders, the group's long term debt was restructured and terms were agreed with the group's landlord for the settlement of outstanding rent. As a result of the very significant support shown by our customers, landlord and lenders, the board was then able to negotiate and in June 2024 draw down a new £700,000 loan which has provided working capital and enabled the group to make investments in the operations.

In anticipation of the group's long term finances being secured, the board was in a position to appoint a permanent CEO. In February 2024 Nic Greenan joined Tyneside Cinema as CEO. Nic brings more than two decades of experience in driving major strategic cultural programmes and capital projects in Yorkshire, being named Yorkshire Woman of the Year in 2017. She joined Tyneside Cinema following four successful years as Strategic Lead of City of Culture Policy & Events at Bradford MDC, where she played a pivotal role as part of the leadership team that won the UK City of Culture 2025 bid for Bradford. She also led on the successful bid to bring Brit School North to Bradford, and was instrumental in the development of The Unit, a new screen talent hub in partnership with Channel 4.

As a result of these positive developments, £545,000 of grants from the British Film Institute (BFI) and The National Lottery Heritage Fund were confirmed which will help to fund a new audience development programme focused on film, music and food and also improve our Grade II-listed venue's carbon footprint.

Cinema

The cinema and our hospitality venues reopened in August 2021 since when audience numbers have gradually increased, but are still at a lower level than before the pandemic. We are now focused on building an audience base for the future and the development of a clear organisational personality that leverages our difference as a unique, independent space for film.

Despite the financial and operation challenges that we continued to face during the period to September 2024, we worked hard to ensure that the Tyneside Cinema continued to be a home for great independent film, with a broad and diverse programme with appeal for a wide variety of audiences. We did this by hosting over 8,000 film screenings of more than 800 different films, representing more than 50 countries, from new releases to bold original programmes focused on a diverse range of themes in addition to our well established and much loved Halloween and Christmas programmes.

The business model for cinemas is very challenging with up to 60% of box office income being payable to film distributors. The pandemic has resulted in a change in customer behaviour. We cannot compete on price with home streaming and we do not believe it is appropriate to try to do so. Our challenge is to continue to show our audiences that the cinema experience is wholly different from watching a film at home. That means reminding returning customers and showing new customers what makes the traditional cinema experience so unique and what it feels like to watch a film in a heritage cinema. At the Tyneside Cinema we provide something that cannot be recreated at home: the excitement of going to see an eagerly anticipated new release film (who can forget the buzz of Barbie and Oppenheimer in 2023?) or a familiar, much loved classic (perhaps on 35mm film), sharing that experience with friends, family and neighbours in a packed cinema auditorium, making new memories, remembering the first film you saw at the cinema.

We remain committed to continuing to provide that special cinema experience as we have done for nearly 90 years. But that does mean that we have to charge a fair price that enables us to operate on a sustainable basis, so that we can continue to show film current and future generations. We continue to offer very significantly discounted prices for customers receiving universal credit, people in full time education, young people aged 16 and under, senior citizens and disabled people. We also provide dementia friendly and parent and child screenings together with targeted concessions for particular sections of our communities.

Events

Our building has a long and deep heritage and is a historically important part of the history of cinema in the region. While our cinemas are primarily used to show films to our audiences, the cinema building is available to hire as a venue for businesses and other organisations, film premieres, private parties and other events. There are opportunities to grow this activity without impinging on our public film programme and we see this as an important part of how Tyneside Cinema will establish a sound financial foundation.

Hospitality

Our hospitality business delivers important elements of our social and community ambitions by offering welcoming spaces in which to eat and drink. We see significant potential to develop and grow the profits generated by our hospitality venues which are an important part of how we finance our charitable activities. We will ensure that we remain commercially focused while continuing to provide a varied range of options for our customers in a safe environment in the city centre.

Engagement

In December 2022 Arts Council England announced that we had been unsuccessful in our application for core funding for our engagement programme. Sadly this meant that during 2023 it was necessary to pause our delivery of that programme.

We are very proud of the collaborations and participatory projects with individuals, groups and communities that we have delivered. Our engagement activity included artist commissions, participatory projects with children, young people and adults from diverse communities and backgrounds together with events for the public and creative communities of the North East.

As the group’s finances stabilise, we remain very focused on generating surpluses from our business operations to invest in projects that ensure that we reach as many communities as possible in our region. We also intend to work with a broad range of funders so that we can grow our engagement activities on a sustainable basis with the intention of broadening and deepening this work which is a vital part of our role in our city and our region.

Employment

Tyneside Cinema is a Real Living Wage employer. Although this puts some of our operations at a competitive disadvantage when compared with other venues in the city, we believe that it is important that we continue to provide good, flexible employment opportunities on fair terms. We intend to ensure that as our operations grow and develop, we take active steps to make new employment opportunities accessible to all our communities.

Financial review

It continues to be a challenging time for Tyneside Cinema with audience numbers that although they are growing, remain significantly below pre-pandemic levels. We generate the vast majority of our income from our cinema, events and hospitality operations. During the 18 month period ended 30 September 2024 our income split was 94% earned and 6% grant income.

The charity made a deficit during the 18 month period of £1,203,517 (2023: £1,219,441) of which £696,219 was depreciation (2023: 482,891).

The cash balance at the end of the period was £478,036. The group’s financial position was strengthened by our proactive action to reduce our cost base and implement efficiencies where possible and was further improved in June 2024 by the drawdown of a new £700,000 loan and the restructuring of existing long term loans and short term debts.

At the period end, the total funds of the group amounted to £277,136. However the majority is not freely available because the balance is invested in fixed assets or has a restriction for other purposes. The wholly owned subsidiary Tyneside Cinema Trading Co. Ltd. made a profit of £69,249 (2023: £59,330 loss).

Reserves policy

The funds of the group as of 30 September 2024 were £277,136, of which £1,151,480 were restricted. Unrestricted funds include designated funds of £nil and fixed assets of £761,326. Consequently, free unrestricted funds are in deficit by £1,685,670.

The trustees regularly review the reserve levels to ensure that they are appropriate. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Investment policy and powers

Under its articles of association, the charity has the power to invest in any way the trustees wish.

Plans for future periods

Our plan for the future is to build our audiences, business skills and our resilience. We have a highly competent management team and a dedicated, confident staff. On this basis we are building our business to ensure we achieve maximum revenue, margins and cultural value for our beneficiaries and we aim to be recognised as an exemplary employer. We will continue to develop the role and contribution of our board of trustees, linking them more closely with our senior leadership team to develop strategy and plans.

Tyneside Cinema is a unique organisation that is vital to the cultural landscape of Newcastle and the North East. Through film, learning and hospitality we will continue to serve our audiences and guests as a world-class cinema and cultural venue.

Chair's overview

The last four years have been challenging for any organisation in the cultural sector. Independent cinemas across the country have contended with forced closures, reduced capacities and then many people were hesitant to return to cinema spaces post-COVID. On top of that, the studios weren't producing films at their usual pace due to the pandemic and the 2023 Writers Guild of America strike. As a result, there simply wasn't the number of new releases that one would typically expect over the last two years and as a result it has been a real struggle for venues such as ours. The additional complications of rampant inflation and a very real cost of living crisis mean that in my time as chair, we have had to contend with one of the most challenging periods in Tyneside Cinema's near 90 year history.

I took on the role of chair in the autumn of 2021 and new trustees joined the board in early 2022 and 2023. This small, dedicated group of trustees has guided the organisation through a financial storm as severe as any in recent decades. But through perseverance and a clear strategic focus, our trustees and the staff team have helped bring us to a place of stability.

In February 2024 Nic Greenan joined us as chief executive and in the last year she has made an enormous positive impact, recruited an entirely new senior team and has very exciting plans for the future of the organisation. I am deeply grateful to the funders who stood by us during my time as chair: Northstar Ventures, Newcastle City Council, the British Film Institute, the National Lottery Heritage Fund and the Sir James Knott Trust. Of course, I also want to extend my thanks to the incredible staff team for their patience and resilience, to my fellow trustees for their calm strategic advice and most of all to our audiences, (many of whom contributed to our fundraising campaign as we worked to secure new funds). It has been a collective job that has been really well done. I plan to step down from the board shortly and as I hand over the reins to a new chair and a new group of trustees, I really feel that Tyneside Cinema is well positioned to not just survive, but to thrive and prosper in the future and to be a truly wonderful asset for our community.

Going concern

The charity's detailed medium term forecasts indicate that the charity is able to continue as a going concern. These forecasts include assumptions regarding increases in admissions (lower than current UK Box Office growth forecasts) and other hospitality income. With a stronger and evenly spread 2025 and 2026 film release schedule, the continued recovery of post pandemic audiences, and sustained demand for City centre hospitality and event spaces, the sensitised growth modelled is considered to be achievable

The £700,000 loan drawn down from the North East Social Fund in June 2024, ongoing grants awarded from British Film Institute and the National Lottery Heritage Fund and the renegotiated repayment terms on other long term loans have provided the resources to support the implementation of the plan that is intended to generate additional trading surpluses. This plan assumes that audience numbers will increase (but not necessarily to pre-pandemic levels) and that the profitability of our hospitality and events operations grows independently of the number of cinema admissions.

The trustees and the senior leadership team continue to investigate opportunities to accelerate the long term sustainability of the charity through operational efficiencies. The realignment of staff roles and responsibilities and the review of contracted services have already yielded significant recurring annual cost savings.

The trustees therefore consider the going concern assumption to be appropriate.

Statement of trustees' responsibilities

The trustees (who are also the directors of Tyneside Cinema 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) including FRS 102

"The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial period. 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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

Kinnair Associates Limited were appointed auditor to the company on 5 January 2025.

In accordance with section 485 of the Companies Act 2006, a decision to appoint auditors will be made at the forthcoming annual general meeting.

Approved by order of the members of the board of Trustees on 25 April 2025 and signed on their behalf by:

Signed by:
J P Beirne
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J P Beirne
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TYNESIDE CINEMA

Opinion

We have audited the financial statements of Tyneside Cinema (the 'parent charitable company') and its subsidiary (the 'Group') for the period ended 30 September 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 Group's and of the parent charitable company's affairs as at 30 September 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the period 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 and the Charities Act 2011.

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 Group 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 Group's or the parent 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.

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

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. 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 period 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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:

- the engagement director ensured that the engagement team collectively have the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with trustees and other management, and from our commercial knowledge and experience of the culture sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Companies Act 2006, Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation and other legislation identified as being of significance in the context of the entity e.g. taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and requesting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly.

We assessed the susceptibility of the Group’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias;

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

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- requesting correspondence with HMRC, The Charity Commission and the Group's legal advisors.

There are inherent limitations in our anticipated audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

DocuSigned by:
Detlev Anderson
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Detlev Anderson (Senior Statutory Auditor)

for and on behalf of
Kinnair Associates Limited

Chartered Accountants
Statutory Auditors

Redburn Road

Newcastle upon Tyne

Tyne & Wear

NE5 1NB

28 April 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Note	Unrestricted funds 18 months ended 30 September 2024 £	Restricted funds 18 months ended 30 September 2024 £	Total funds 18 months ended 30 September 2024 £	*As restated Total funds 12 months ended 31 March 2023 £*
Income from:					
Donations and legacies	4	**149,877**	**276,076**	**425,953**	*405,772*
Charitable activities	5	**2,263,918**	**-**	**2,263,918**	*1,310,534*
Other trading activities	7	**1,584,959**	**-**	**1,584,959**	*1,078,991*
Other income		**-**	**-**	**-**	*9,258*
Total income		**3,998,754**	**276,076**	**4,274,830**	*2,804,555*
Expenditure on:					
Raising funds	8	**1,774,049**	**-**	**1,774,049**	*1,257,791*
Charitable activities	9	**2,843,455**	**860,843**	**3,704,298**	*2,766,205*
Total expenditure		**4,617,504**	**860,843**	**5,478,347**	*4,023,996*
Net movement in funds		**(618,750)**	**(584,767)**	**(1,203,517)**	*(1,219,441)*
Reconciliation of funds:					
Total funds brought forward		**(305,593)**	**1,736,247**	**1,430,654**	*2,650,095*
Net movement in funds		**(618,750)**	**(584,767)**	**(1,203,517)**	*(1,219,441)*
Total funds carried forward		**(924,343)**	**1,151,480**	**227,137**	*1,430,654*

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 20 to 51 form part of these financial statements.

TYNESIDE CINEMA
(A Company Limited by Guarantee)

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Note	**Total funds 18 months ended 30 September 2024 £**	*Total funds 12 months ended 31 March 2023 £*
Gross income in the reporting period		**4,274,830**	*2,804,555*
Less: Total expenditure		**(5,478,347)**	*(4,023,996)*
Net expenditure for the reporting period		**(1,203,517)**	*(1,219,441)*

The notes on pages 20 to 51 form part of these financial statements.

TYNESIDE CINEMA

(A Company Limited by Guarantee)
REGISTERED NUMBER: 1113101

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2024

	Note		30 September 2024 £		*31 March 2023 £*
Fixed assets					
Intangible assets	15		**-**		*2,064*
Tangible assets	16		**1,865,306**		*2,555,230*
Investments	17		**10,000**		*10,000*
			1,875,306		*2,567,294*
Current assets					
Stocks	18	**17,582**		*21,053*	
Debtors	19	**92,069**		*135,218*	
Cash at bank and in hand		**478,036**		*359,444*	
		587,687		*515,715*	
Creditors: amounts falling due within one year	20	**(882,079)**		*(914,350)*	
Net current liabilities			**(294,392)**		*(398,635)*
Total assets less current liabilities			**1,580,914**		*2,168,659*
Creditors: amounts falling due after more than one year	21		**(1,351,249)**		*(735,476)*
Provisions for liabilities			**(2,529)**		*(2,529)*
Net assets excluding pension asset			**227,136**		*1,430,654*
Total net assets			**227,136**		*1,430,654*
Charity funds					
Restricted funds	24		**1,151,480**		*1,736,247*
Unrestricted funds	24		**(924,344)**		*(305,593)*
Total funds			**227,136**		*1,430,654*

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 in accordance with the provisions applicable to entities subject to the small companies regime.

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2024

The financial statements were approved and authorised for issue by the Trustees on 25 April 2025 and signed on their behalf by:

Signed by:

J P Beirne

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J P Beirne
Chair

The notes on pages 20 to 51 form part of these financial statements.

TYNESIDE CINEMA

(A Company Limited by Guarantee)
REGISTERED NUMBER: 1113101

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2024

	Note		30 September 2024 £		*31 March 2023 £*
Fixed assets					
Intangible assets	15		**-**		*2,064*
Tangible assets	16		**1,821,126**		*2,478,546*
Investments	17		**10,001**		*10,001*
			1,831,127		*2,490,611*
Current assets					
Stocks	18	**1,626**		-	
Debtors	19	**110,341**		*466,670*	
Cash at bank and in hand		**413,415**		*97,857*	
		525,382		*564,527*	
Creditors: amounts falling due within one year	20	**(613,500)**		*(671,013)*	
Net current liabilities			**(88,118)**		*(106,486)*
Total assets less current liabilities			**1,743,009**		*2,384,125*
Creditors: amounts falling due after more than one year	21		**(1,308,794)**		*(677,143)*
Net assets excluding pension asset			**434,215**		*1,706,982*
Total net assets			**434,215**		*1,706,982*
Charity funds					
Restricted funds	24		**1,161,127**		*1,736,247*
Unrestricted funds	24		**(726,912)**		*(29,265)*
Total funds			**434,215**		*1,706,982*

The Company's net movement in funds for the period was £(1,272,767) *(2023 - £(1,160,111))*.

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 in accordance with the provisions applicable to entities subject to the small companies regime.

COMPANY BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2024

The financial statements were approved and authorised for issue by the Trustees on 25 April 2025 and signed on their behalf by:

Signed by:
J P Beirne
1B13334668504C7...

J P Beirne
Chair

The notes on pages 20 to 51 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Note	18 months ended 30 September 2024 £	*12 months ended 31 March 2023 £*
Cash flows from operating activities			
Net cash used in operating activities	27	**(393,136)**	*(572,651)*
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		**-**	*933*
Purchase of tangible fixed assets		**(37,599)**	*(35,048)*
Net cash used in investing activities		**(37,599)**	**(34,115)**
Cash flows from financing activities			
Cash inflows from new borrowing		**700,000**	-
Repayments of borrowing		**(150,673)**	*(165,064)*
Net cash provided by/(used in) financing activities		**549,327**	**(165,064)**
Change in cash and cash equivalents in the period		**118,592**	**(771,830)**
Cash and cash equivalents at the beginning of the period		**359,444**	*1,131,274*
Cash and cash equivalents at the end of the period	28	**478,036**	*359,444*

The notes on pages 20 to 51 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales (company number 1113101) and consequently does not have share capital (referred to in these financial statements and reports as the "charity" and the "company"). Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The entity is also registered with the Charity Commission in England and Wales (charity number 502592).

The registered office is at Newe House, 10 Pilgrim Street, Newcastle upon Tyne, NE1 6QG.

2. Accounting policies

2.1 Restatement of costs and income analysis

The analysis of some costs and income within the financial statements has been amended to better reflect the underlying nature of those transactions. Comparative figures for the prior period have been restated accordingly. No change to the prior year net results arises from this amendment.

2.2 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.

Tyneside Cinema 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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The financial statements are prepared in sterling which is the functional currency of the entity and rounded to the nearest pound.

2.3 Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 30 September 2024.

No statement of financial activities is presented for the charity as permitted by Section 408 of the Companies Act 2006. The charity made a deficit for the financial period of £1,272,767 (2023: deficit of £1,160,113).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions and balances are eliminated in full.

2. Accounting policies (continued)

2.4 Going concern

The charity's detailed medium term forecasts indicate that the charity is able to continue as a going concern. These forecasts include assumptions regarding increases in admissions (lower than current UK Box Office growth forecasts) and other hospitality income. With a stronger and evenly spread 2025 and 2026 film release schedule, the continued recovery of post pandemic audiences, and sustained demand for City centre hospitality and event spaces, the sensitised growth modelled in the forecasts is considered to be realistic and achievable.

The £700,000 loan drawn down from the North East Social Fund in June 2024, ongoing grants awarded from British Film Institute and the National Lottery Heritage Fund and the renegotiated repayment terms on other long term loans have provided the resources to support the implementation of the plan that is intended to generate additional trading surpluses. This plan assumes that audience numbers will increase (but not necessarily to pre-pandemic levels) and that the profitability of our hospitality and events operations grows independently of the number of cinema admissions.

The trustees and the senior leadership team continue to investigate opportunities to accelerate the long term sustainability of the charity through operational efficiencies. The realignment of staff roles and responsibilities and the review of contracted services have already yielded significant recurring annual cost savings.

The trustees therefore consider the going concern assumption to be appropriate.

2.5 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.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Income received in advance for shows are deferred until the screening or performance actually takes place.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in

2. Accounting policies (continued)

2.6 Expenditure (continued)

settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

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

All expenditure is inclusive of irrecoverable VAT.

2.7 Government grants

Government grants are recognised on the performance model and are measured at the fair value of the asset received or receivable. Grants are recognised in income once the performance conditions of entitlement are met.

2.8 Taxation

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

2.9 Intangible assets - Website

Intangible assets are stated in the balance sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives..

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

2. Accounting policies (continued)

2.9 Intangible assets - Website (continued)

Website Costs	-	% 3 - 5 years straight line

2.10 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 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, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	- Over the term of the lease
Fixtures and fittings	- 10-33% straight line
Office equipment	- 20% straight line
Computer equipment	- 20-33% straight line

2.11 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are shown at cost less provision for impairment.

2.12 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is determined using the first-in, first-out (FIFO) basis.

2.13 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.

2.14 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. Accounting policies (continued)

2.15 Liabilities

Liabilities and provisions 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.

2.16 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.17 Financial instruments

The Group 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.

2.18 Operating leases

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

2.19 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the period.

2. Accounting policies (continued)

2.20 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 Group 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 Group 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.

3. Critical accounting estimates and areas of judgment

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are considered to be no significant judgments (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which effect the amounts recognised in the financial statements.

4. Income from donations and legacies

	Unrestricted funds 18 months ended 30 September 2024 £	Restricted funds 18 months ended 30 September 2024 £	Total funds 18 months ended 30 September 2024 £
Donations	149,877	-	**149,877**
Grants	-	276,076	**276,076**
	149,877	276,076	**425,953**

4. Income from donations and legacies (continued)

	Unrestricted funds 12 months ended 31 March 2023	*Restricted funds 12 months ended 31 March 2023*	*Total funds 12 months ended 31 March 2023*
	£	*£*	*£*
Donations	*34,290*	*-*	*34,290*
Grants	*130,162*	*241,320*	*371,482*
	164,452	*241,320*	*405,772*

5. Income from charitable activities

	Unrestricted funds 18 months ended 30 September 2024	**Total funds 18 months ended 30 September 2024**
	£	**£**
Income from charitable activities - Charitable Income	2,263,918	**2,263,918**

	Unrestricted funds 12 months ended 31 March 2023	*Total funds 12 months ended 31 March 2023*
	£	*£*
Income from charitable activities - Charitable Income	*1,310,534*	*1,310,534*

6. Income from charitable activities

	Unrestricted funds 18 months ended 30 September 2024 £	**Total funds 18 months ended 30 September 2024 £**
Cinema Activities	1,620,366	**1,620,366**
Food and drink sales	219,433	**219,433**
Facilities hire	173,149	**173,149**
Advertising	66,691	**66,691**
Memberships	184,279	**184,279**
	2,263,918	**2,263,918**

	Unrestricted funds 12 months ended 31 March 2023 £	*Total funds 12 months ended 31 March 2023 £*
Cinema Activities	*868,074*	*868,074*
Food and drink sales	*134,530*	*134,530*
Facilities hire	*167,770*	*167,770*
Advertising	*43,985*	*43,985*
Memberships	*81,595*	*81,595*
Commission	*14,580*	*14,580*
	1,310,534	*1,310,534*

7. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 18 months ended 30 September 2024 £	Total funds 18 months ended 30 September 2024 £
Trading income - Tyneside Cinema Trading Co. Ltd	1,584,959	**1,584,959**

	Unrestricted funds 12 months ended 31 March 2023 £	*Total funds 12 months ended 31 March 2023 £*
Trading income - Tyneside Cinema Trading Co. Ltd	*1,072,368*	*1,072,368*
Other trading income	*6,623*	*6,623*
	1,078,991	*1,078,991*

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 18 months ended 30 September 2024 £	Total funds 18 months ended 30 September 2024 £
Cost of sales	519,324	**519,324**
Establishment costs	173,475	**173,475**
General administrative expenses	61,934	**61,934**
Finance charges	34,363	**34,363**
Interest payable	9,083	**9,083**
Wages and salaries	793,582	**793,582**
NI	46,534	**46,534**
Pension costs	12,426	**12,426**
Depreciation	33,367	**33,367**
Allocated centrally incurred fundraising and governance costs	89,961	**89,961**
	1,774,049	**1,774,049**

8. Expenditure on raising funds (continued)

Fundraising trading expenses (continued)

	As restated Unrestricted funds 12 months ended 31 March 2023 £	*As restated Total funds 12 months ended 31 March 2023 £*
Fundraising trading - cost of sales	*399,056*	*399,056*
Fundraising trading - establishment costs	*100,998*	*100,998*
Fundraising trading expense - general administrative expenses	*36,343*	*36,343*
Fundraising trading expense - finance charges	*10,428*	*10,428*
Fundraising trading expense - interest payable	*5,694*	*5,694*
Fundraising trading expenses - wages and salaries	*628,084*	*628,084*
Fundraising trading expenses - NI	*43,778*	*43,778*
Fundraising trading expenses - pension costs	*10,890*	*10,890*
Fundraising trading expenses - depreciation	*22,520*	*22,520*
	1,257,791	*1,257,791*

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 18 months ended 30 September 2024 £	**Restricted funds 18 months ended 30 September 2024 £**	**Total 18 months ended 30 September 2024 £**
Charitable Income	2,843,455	860,843	**3,704,298**

9. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	As restated Unrestricted funds 12 months ended 31 March 2023 £	*Restricted funds 12 months ended 31 March 2023 £*	*As restated Total 12 months ended 31 March 2023 £*
Charitable Income	*2,078,420*	*687,785*	*2,766,205*

10. Analysis of expenditure by activities

	Activities undertaken directly 18 months ended 30 September 2024 £	**Support costs 18 months ended 30 September 2024 £**	**Total funds 18 months ended 30 September 2024 £**
Charitable Income	1,857,598	1,846,700	**3,704,298**

	As restated Activities undertaken directly 12 months ended 31 March 2023 £	*As restated Support costs 12 months ended 31 March 2023 £*	*As restated Total funds 12 months ended 31 March 2023 £*
Charitable Income	*1,618,728*	*1,147,477*	*2,766,205*

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable Income 18 months ended 30 September 2024 £	**Total funds 18 months ended 30 September 2024 £**
Staff costs	1,049,789	**1,049,789**
Direct - Premises costs	13,427	**13,427**
Direct - Activity costs	789,244	**789,244**
Other staff costs	5,138	**5,138**
	1,857,598	**1,857,598**

	As restated Charitable Income 12 months ended 31 March 2023 £	*As restated Total funds 12 months ended 31 March 2023 £*
Staff costs	*1,133,213*	*1,133,213*
Direct - Premises costs	*12,204*	*12,204*
Direct - Activity costs	*469,441*	*469,441*
Other staff costs	*3,870*	*3,870*
	1,618,728	*1,618,728*

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable Income 18 months ended 30 September 2024 £	Total funds 18 months ended 30 September 2024 £
Depreciation	696,219	**696,219**
Premises costs	655,092	**655,092**
Operating lease charges	91,272	**91,272**
Other support costs	358,094	**358,094**
Governance - Audit fees	25,702	**25,702**
Governance - Other costs	20,321	**20,321**
	1,846,700	**1,846,700**

	As restated Charitable Income 12 months ended 31 March 2023 £	*As restated Total funds 12 months ended 31 March 2023 £*
Depreciation	*482,891*	*482,891*
Premises costs	*382,100*	*382,100*
Operating lease charges	*59,318*	*59,318*
Other support costs	*208,767*	*208,767*
Governance - Audit fees	*10,450*	*10,450*
Governance - Other costs	*3,951*	*3,951*
	1,147,477	*1,147,477*

11. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £9,000 *(2023 - £15,200)*, and other fees in connection with the preparation of the financial statements of the group and subsidiary and for the preparation of a corporation tax return of £3,275 (*2023* - £ -).

12. Staff costs

	Group 18 months ended 30 September 2024 £	*Group As restated 12 months ended 31 March 2023 £*	**Company 18 months ended 30 September 2024 £**	*Company As restated 12 months ended 31 March 2023 £*
Wages and salaries	**1,833,227**	*1,652,110*	**1,039,645**	*1,024,026*
Social security costs	**127,471**	*133,750*	**80,937**	*89,972*
Contribution to defined contribution pension schemes	**31,594**	*30,106*	**19,168**	*19,216*
	1,992,292	*1,815,966*	**1,139,750**	*1,133,214*

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

	Group 18 months ended 30 September 2024 No.	*Group 12 months ended 31 March 2023 No.*
Charitable activities and raising funds	**57**	*71*
Management and administration	**6**	*8*
	63	*79*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 18 months ended 30 September 2024 No.	*Group 12 months ended 31 March 2023 No.*
In the band £80,001 - £90,000	**-**	*1*

The total employee benefits of the key management personnel of the group were £93,379 (2023: £135,245).

13. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits *(2023 - £NIL)*.

During the period ended 30 September 2024, no Trustee expenses have been incurred *(2023 - £NIL)*.

14. Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

15. Intangible assets

Group

	Website £
Cost	
At 1 April 2023	**55,856**
At 30 September 2024	**55,856**
Amortisation	
At 1 April 2023	**53,792**
Charge for the year	**2,064**
At 30 September 2024	**55,856**
Net book value	
At 30 September 2024	**-**
At 31 March 2023	*2,064*

15. Intangible assets (continued)

Company

	Computer software £
Cost	
At 1 April 2023	**55,856**
At 30 September 2024	**55,856**
Amortisation	
At 1 April 2023	**53,792**
Charge for the period	**2,064**
At 30 September 2024	**55,856**
Net book value	
At 30 September 2024	**-**
At 31 March 2023	*2,064*

16. Tangible fixed assets

Group

	Long-term leasehold property £	Fixtures and fittings £	Cinema technical equipment £	Total £
Cost or valuation				
At 1 April 2023	**8,155,687**	**355,709**	**137,690**	**8,649,086**
Additions	**-**	**29,609**	**7,990**	**37,599**
At 30 September 2024	**8,155,687**	**385,318**	**145,680**	**8,686,685**
Depreciation				
At 1 April 2023	**5,801,253**	**193,761**	**98,842**	**6,093,856**
Charge for the period	**651,143**	**63,980**	**12,400**	**727,523**
At 30 September 2024	**6,452,396**	**257,741**	**111,242**	**6,821,379**
Net book value				
At 30 September 2024	**1,703,291**	**127,577**	**34,438**	**1,865,306**
At 31 March 2023	*2,354,434*	*161,948*	*38,848*	*2,555,230*

Company

	Long-term leasehold property £	Fixtures and fittings £	Cinema technical equipment £	Total £
Cost or valuation				
At 1 April 2023	**8,155,687**	**219,342**	**137,690**	**8,512,719**
Additions	**-**	**28,746**	**7,990**	**36,736**
At 30 September 2024	**8,155,687**	**248,088**	**145,680**	**8,549,455**

16. Tangible fixed assets (continued)

Company (continued)

	Long-term leasehold property £	Fixtures and fittings £	Cinema technical equipment £	Total £
Depreciation				
At 1 April 2023	**5,801,253**	**134,078**	**98,842**	**6,034,173**
Charge for the period	**651,143**	**30,613**	**12,400**	**694,156**
At 30 September 2024	**6,452,396**	**164,691**	**111,242**	**6,728,329**
Net book value				
At 30 September 2024	**1,703,291**	**83,397**	**34,438**	**1,821,126**
At 31 March 2023	*2,354,434*	*85,264*	*38,848*	*2,478,546*

17. Fixed asset investments

Group	**Artwork £**
Cost or valuation	
At 1 April 2023	**10,000**
At 30 September 2024	**10,000**
Net book value	
At 30 September 2024	**10,000**
At 31 March 2023	*10,000*

17. Fixed asset investments (continued)

Company	Investments in subsidiary companies £	Artwork £	Total £
Cost or valuation			
At 1 April 2023	**1**	**10,000**	**10,001**
At 30 September 2024	**1**	**10,000**	**10,001**
Net book value			
At 30 September 2024	**1**	**10,000**	**10,001**
At 31 March 2023	*1*	*10,000*	*10,001*

The company owns the entire £1 share capital of Tyneside Cinema Trading Co. Ltd (company number 8804734), which is incorporated in England and Wales. See below for further details.

The artwork is a piece of visual art called the Mariner 9 commissioned by the charity from the artist Kelly Richardson.

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
Tyneside Cinema Trading Co. Ltd	8804734	Newe House, 10 Pilgrim Street, Newcastle upon Tyne, NE1 6QG	Operation of licensed bar, cafe and events business

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

17. Fixed asset investments (continued)

The financial results of the subsidiary for the period were:

Name	Income £	Expenditure £	Profit for the period £	Net liabilities £
Tyneside Cinema Trading Co. Ltd	**1,753,338**	**1,684,089**	**69,249**	**(207,078)**

. Summary Statement of Comprehensive Income

	18 months ended 30 September 2024 £	*12 months ended 31 March 2023 £*
Turnover	**1,753,338**	*1,198,461*
Cost of sales	**(519,325)**	*(399,056)*
Administrative expenses	**(1,164,764)**	*(858,735)*
Net profit/(loss)	**69,249**	*(59,330)*

. The assets and liabilities of the subsidiary were:

	30 September 2024 £	*31 March 2023 £*
Fixed assets	**44,179**	*76,683*
Current assets	**137,182**	*319,322*
Creditors: amounts falling due within one year	**(343,455)**	*(611,470)*
Creditors: amounts falling due after more than one year	**(42,455)**	*(58,333)*
Deferred tax	**(2,529)**	*(2,529)*
Total net liabilities	**(207,078)**	*(276,327)*

18. Stocks

	Group 30 September 2024 £	*Group 31 March 2023 £*	**Company 30 September 2024 £**	*Company 31 March 2023 £*
Finished goods and goods for resale	**17,582**	*21,053*	**1,626**	-

19. Debtors

	Group 30 September 2024 £	*Group 31 March 2023 £*	**Company 30 September 2024 £**	*Company 31 March 2023 £*
Due within one year				
Trade debtors	**38,614**	*37,122*	**987**	*15,941*
Amounts owed by group undertakings	**-**	-	**74,877**	*368,135*
Other debtors	**22,555**	*8,973*	**6,367**	*257*
Prepayments and accrued income	**30,900**	*89,123*	**28,110**	*82,337*
	92,069	*135,218*	**110,341**	*466,670*

20. Creditors: Amounts falling due within one year

	Group 30 September 2024 £	*Group As restated 31 March 2023 £*	**Company 30 September 2024 £**	*Company As restated 31 March 2023 £*
Bank loans	**41,811**	*116,903*	**33,027**	*91,903*
Other loans	**8,646**	-	**8,646**	-
Trade creditors	**229,440**	*477,623*	**177,675**	*390,644*
Other taxation and social security	**193,868**	*107,562*	**75,820**	*49,173*
Other creditors	**17,072**	*33,222*	**14,101**	*32,562*
Accruals and deferred income	**391,242**	*179,040*	**304,231**	*106,731*
	882,079	*914,350*	**613,500**	*671,013*

Deferred income is as set out below.

	Group 30 September 2024 £	*Group 31 March 2023 £*	**Company 30 September 2024 £**	*Company 31 March 2023 £*
Deferred income at 1 April 2023	**25,824**	*146,943*	**-**	*109,996*
Resources deferred during the period	**175,204**	*25,824*	**136,296**	*-*
Amounts released from previous periods	**(25,824)**	*(146,943)*	**-**	*(109,996)*
	175,204	*25,824*	**136,296**	*-*

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

	Group 30 September 2024 £	*Group 31 March 2023 £*	**Company 30 September 2024 £**	*Company 31 March 2023 £*
Bank loans	**202,086**	*277,667*	**159,631**	*219,334*
Other loans	**1,149,163**	*457,809*	**1,149,163**	*457,809*
	1,351,249	*735,476*	**1,308,794**	*677,143*

Included within the above are amounts falling due as follows:

Between one and two years				
Between two and five years				
Bank loans	**167,243**	*277,667*	**132,108**	*219,334*
Other loans	**699,279**	*457,809*	**699,279**	*457,809*
Over five years				
Bank loans	**34,843**	*-*	**27,523**	*-*
Other loans	**449,884**	*-*	**449,884**	*-*

21. Creditors: Amounts falling due after more than one year (continued)

	Group 30 September 2024 £	*Group 31 March 2023 £*	**Company 30 September 2024 £**	*Company 31 March 2023 £*

Bank loans comprise two loans of £595,000 in total made by HSBC to the Company and the subsidiary under the Coronavirus Business Interruption Loan Scheme that were taken out in July 2020. Repayment of these loans was over five years starting in August 2021. Interest rates are 3.99% over the Bank of England base rate. In June 2024 the loan terms were extended to August 2030.

The HSBC loans are secured by debentures, fixed and floating charges granted by the charity and its subsidiary and two morgages over its leasehold property granted by the charity.

Other loans comprise loans from Newcastle City Council and North East Social Fund LP.

In June 2024 the interest charged on the loan from Newcastle City Council was amended to be 3.43% and the loan term was extended to 2065. The loan is secured by a charge over one of the charity's leasehold premises.

The loan from North East Social Fund LP carries an interest rate of 7% per annum and a loan term ending in January 2035. The loan is secured by debentures, fixed and floating charges and cross guarantees granted by the charity and its subsidiary.

22. Financial instruments

	Group 30 September 2024 £	*Group 31 March 2023 £*	**Company 30 September 2024 £**	*Company 31 March 2023 £*
Financial assets				
Financial assets measured at fair value through income and expenditure	**478,036**	*359,444*	**413,415**	*97,857*

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

23. Deferred taxation

Group

	30 September 2024 £
At the beginning of the period	**2,529**
	2,529

Company

The deferred tax liability is made up as follows:

	Group 30 September 2024 £	*Group 31 March 2023 £*
Accelerated capital allowances	**(2,529)**	*(2,529)*
	(2,529)	*(2,529)*

24. Statement of funds

Statement of funds - current period

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 30 September 2024 £
Unrestricted funds				
General Funds	**(305,593)**	**3,998,753**	**(4,617,504)**	**(924,344)**
Restricted funds				
Capital development	**1,736,247**	**-**	**(622,267)**	**1,113,980**
Arts Council	**-**	**73,829**	**(73,829)**	**-**
BFI grant	**-**	**155,100**	**(155,100)**	**-**
Point North grant	**-**	**37,500**	**-**	**37,500**
Access Reach fund	**-**	**9,647**	**(9,647)**	**-**
	1,736,247	**276,076**	**(860,843)**	**1,151,480**
Total of funds	**1,430,654**	**4,274,829**	**(5,478,347)**	**227,136**

The specific purposes for which the funds are to be applied are as follows:

General reserves - the general reserve represent the free funds of the charity which are not designated for any particular purpose.

Restricted funds:

Arts Council - revenue funding to support the digital and creative media arts programme at the Tyneside Cinema.

Capital Development fund - relates to funds provided for the refurbishment and modernisation of hte charity's premises.

BFI - to support exhibition of a diverse range of film to build a wider audience and representation**.**

Point North grant - funding for capital projects (boiler) and sales and marketing resource.

Access Reach - funding for business planning and financial forecasting

24. Statement of funds (continued)

Statement of funds - prior period

	Balance at 1 April 2022 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Balance at 31 March 2023 £*
Unrestricted funds					
Designated funds					
Designated Funds	*913,941*	-	-	*(913,941)*	-
General funds					
General Funds	*(405,711)*	*2,563,235*	*(3,336,211)*	*873,094*	*(305,593)*
Total Unrestricted funds	*508,230*	*2,563,235*	*(3,336,211)*	*(40,847)*	*(305,593)*
Restricted funds					
Capital development	*2,141,865*	-	*(405,618)*	-	*1,736,247*
Arts Council	-	*60,105*	*(71,608)*	*11,503*	-
Project grants	-	*181,215*	*(210,559)*	*29,344*	-
	2,141,865	*241,320*	*(687,785)*	*40,847*	*1,736,247*
Total of funds	*2,650,095*	*2,804,555*	*(4,023,996)*	-	*1,430,654*

25. Summary of funds

Summary of funds - current period

	Balance at 1 April 2023 £	**Income £**	**Expenditure £**	**Balance at 30 September 2024 £**
General funds	**(305,593)**	**3,998,753**	**(4,617,504)**	**(924,344)**
Restricted funds	**1,736,247**	**276,076**	**(860,843)**	**1,151,480**
	1,430,654	**4,274,829**	**(5,478,347)**	**227,136**

25. Summary of funds (continued)

Summary of funds - prior period

	Balance at 1 April 2022	*Income*	*Expenditure*	*Transfers in/out*	*Balance at 31 March 2023*
	£	*£*	*£*	*£*	*£*
Designated funds	*913,941*	*-*	*-*	*(913,941)*	*-*
General funds	*(405,711)*	*2,563,235*	*(3,336,211)*	*873,094*	*(305,593)*
Restricted funds	*2,141,865*	*241,320*	*(687,785)*	*40,847*	*1,736,247*
	2,650,095	*2,804,555*	*(4,023,996)*	*-*	*1,430,654*

26. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 30 September 2024	**Restricted funds 30 September 2024**	**Total funds 30 September 2024**
	£	**£**	**£**
Tangible fixed assets	751,326	1,113,980	**1,865,306**
Fixed asset investments	10,000	-	**10,000**
Current assets	550,187	37,500	**587,687**
Creditors due within one year	(882,079)	-	**(882,079)**
Creditors due in more than one year	(1,351,249)	-	**(1,351,249)**
Provisions for liabilities and charges	(2,529)	-	**(2,529)**
Total	(924,344)	1,151,480	**227,136**

26. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 31 March 2023 £	*Restricted funds 31 March 2023 £*	*Total funds 31 March 2023 £*
Tangible fixed assets	*859,830*	*1,695,400*	*2,555,230*
Intangible fixed assets	*2,064*	*-*	*2,064*
Fixed asset investments	*10,000*	*-*	*10,000*
Current assets	*474,868*	*40,847*	*515,715*
Creditors due within one year	*(914,350)*	*-*	*(914,350)*
Creditors due in more than one year	*(735,476)*	*-*	*(735,476)*
Provisions for liabilities and charges	*(2,529)*	*-*	*(2,529)*
Total	*(305,593)*	*1,736,247*	*1,430,654*

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

	Group 18 months ended 30 September 2024 £	*Group 12 months ended 31 March 2023 £*
Net expenditure for the period (as per Statement of Financial Activities)	**(1,203,517)**	*(1,219,441)*
Adjustments for:		
Depreciation charges	**727,523**	*494,163*
Amortisation charges	**2,064**	*11,321*
Decrease in stocks	**3,471**	*704*
Decrease in debtors	**43,149**	*209,687*
Increase/(decrease) in creditors	**34,174**	*(69,085)*
Net cash used in operating activities	**(393,136)**	*(572,651)*

28. Analysis of cash and cash equivalents

	Group 30 September 2024 £	*Group 31 March 2023 £*
Cash in hand	**478,036**	*359,444*
Total cash and cash equivalents	**478,036**	*359,444*

29. Analysis of changes in net debt

	At 1 April 2023 £	**Cash flows £**	**At 30 September 2024 £**
Cash at bank and in hand	**359,444**	**118,592**	**478,036**
Debt due within 1 year	**(116,903)**	**66,446**	**(50,457)**
Debt due after 1 year	**(735,476)**	**(615,773)**	**(1,351,249)**
	(492,935)	**(430,735)**	**(923,670)**

30. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £31,594 (2023: £30,106).

Contributions totalling £4,595 (2023: £99) were payable to the fund at the balance sheet date and are included in creditors.

31. Operating lease commitments

At 30 September 2024 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 30 September 2024 £	*Group 31 March 2023 £*	**Company 30 September 2024 £**	*Company 31 March 2023 £*
Not later than 1 year	**65,625**	*162,917*	**26,255**	*117,213*
Later than 1 year and not later than 5 years	**528,313**	*456,215*	**251,250**	*456,215*
Later than 5 years	**2,037,991**	*258,951*	**924,000**	*258,951*
	2,631,929	*878,083*	**1,201,505**	*832,379*

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 30 September 2024 £	*Group 31 March 2023 £*	**Company 30 September 2024 £**	*Company 31 March 2023 £*
Operating lease rentals	**146,599**	*95,986*	**91,272**	*59,318*
Changes in lease payments arising from COVID-19 related rent concessions	**-**	*-*	**-**	*-*

32. Commitments

Grants previously made by the European Regional Development Fund, BFI and Heritage Lottery Fund are repayable if the charity breaches the terms of the agreement with the grant funders, undergoes a significant change in status, ceases to operate or is declared insolvent within the period to 2028 for the European Regional Development Fund and 2031 for the Heritage Lottery Fund. Annual depreciation regarding the property is being charged annually against the restricted funds.

The agreement with the National Lottery Heritage Fund is secured by a legal charge over the leasehold property at 10 Pilgrim Street, Newcastle upon Tyne.

33. Related party transactions

The charity has taken the exemption contained within FRS 102 for disclosing transactions with its wholly owned subsidiary as consolidated financial statements are prepared.

The charity obtained legal advice with a value of £635 from Ward Hadaway during the period. The husband of a former Trustee, A Fellows, is a partner of Ward Hadaway. No amounts were owed to Ward Hadaway at the end of the period.

Accounts

Company registration number: 01113101

Charity registration number: 502592

Tyneside Cinema

(A company limited by guarantee)

Consolidated Annual Report and Financial Statements

for the Year Ended 31 March 2023

Tyneside Cinema

Contents

Tyneside Cinema

Reference and Administrative Details

Trustees	B H Ashton (appointed 18 January 2023 and resigned 27 September 2023) J P Beirne C Binns (resigned 20 June 2023) S K Bratch (resigned 18 January 2023) R P Carmichael (resigned 30 June 2022) A A Fellows (resigned 20 June 2023) S Haillay (appointed 18 January 2023 and resigned 20 February 2023) S Nicolson (appointed 18 January 2023) J L Shepstone (resigned 20 June 2023) N J Short M Such (resigned 13 April 2022) I A Watson I D Wright (appointed 18 January 2023)
Key Management Personnel	N Greenan, Chief Executive Officer D Laws, Chief Financial Officer
Registered Office	Newe House 10 Pilgrim Street Newcastle upon Tyne NE1 6QG
Company Registration Number	01113101
Charity Registration Number	502592
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne Tyne And Wear NE1 4BF
Bankers	HSBC Bank plc Newcastle Upon Tyne 110 Grey Street Newcastle upon Tyne NE1 6JG
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Tyneside Cinema

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee (incorporated 10 May 1973) and as such is governed by its memorandum and articles of association, last amended by special resolution dated 30 July 2014. It is registered as a charity with the Charity Commission.

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Recruitment and appointment of trustees

The directors of the company are also trustees of the charity. They are unpaid and give their time freely and generously, bringing to bear significant skills to support the staff.

Term of office: trustees serve a maximum of two consecutive terms of three years each and the board meet at least four times per year.

Recruitment of trustees: the board has a fixed tenure for membership to ensure that the board is refreshed. It recruits new members through open advertising in its online publicity. Applicants are shortlisted and are interviewed by the chair and other trustees.

Induction and training of trustees

New trustees are inducted by the chair of the board and the chief executive. They are given a tour of the cinema, a written induction pack which includes the charity's business plan and governing documents, and a copy of the staff handbook which details all of the charity’s operational policies. All trustees attend a formal session which discusses in detail the role and responsibilities of trustees.

Arrangements for setting key management personnel remuneration

Arrangements for setting pay and remuneration of key management personnel is consistent with all staff at the charity.

All trustees give their time freely; none of the trustees receive remuneration from their work with the charity. Details of related party transactions are disclosed in the notes to the accounts.

Tyneside Cinema

Trustees' Report

Organisational structure

A chief executive is appointed by the board to manage the day-to-day operations of the charity. The full board meets at least four times per year. Detailed written board reports and an agenda are prepared by the senior managers of the charity and circulated in advance of meetings. Board meetings are attended by the chief executive and (as appropriate) other members of the senior leadership team.

Board decisions are made by simple majority vote.

Outside of these meetings, all trustees are invited to attend informal 'contact group' meetings with the heads of department on a voluntary basis. These meetings enable managers and trustees to stay in touch and build trustees understanding of the charity by allowing discussion and reflection in depth on particular aspects of the charity's work.

There is an Audit and risk committee which currently consists of three trustees and meets at least twice a year. Other sub-groups are formed to assist on specific and time-limited projects.

Tyneside Cinema is part of the Newcastle Gateshead Cultural Venues (NGCV) group. NGCV is a voluntary partnership of 10 organisations running 20 venues, archives and heritage sites in Tyne & Wear. There are quarterly meetings of functional areas, all organisations work together to share learning and information in order to maximise sustainability, as well as maximising social, cultural and economic impact.

Trading company

A wholly owned subsidiary trading company operates the Tyneside Bar and café and Vicolo situated on the ground floors of the cinema building.The subsidiary trading company also operates an events business. The building lease and some assets of the trading company are owned by the charity. The company shares the mission of the charity. Its aim is to provide a significant contributed income stream to support the charitable activities.

Related parties and other connected charities and organisations

The charity has a longstanding relationship with its key stakeholder Newcastle City Council. Newcastle City Council regards the cinema as one of the city's key cultural assets.

The charity owns the entire share capital of the trading subsidiary Tyneside Cinema Trading Co. Ltd. as described previously. The trading company has a licence to operate in the spaces it occupies which are leased to the cinema on a long term lease by the head landlords. Some of the assets utilised by the trading company are also all owned by the cinema, and a fair charge, based on floor space occupied, made for their use. All surpluses generated by the trading company that are not required for working capital purposes will be gift aided to the Tyneside Cinema in furtherance of its charitable aims.

The charity works in partnership with charities, colleges, schools and other regional organisations to enhance the delivery and reach of its objectives.

Tyneside Cinema

Trustees' Report

Objectives and activities

Objects and aims

Tyneside Cinema is a cultural venue and social hub that has a unique heritage, its community value, and its place in UK independent film exhibition history. As the only full-time independent cinema in the north east of England, we play a vital part in the creative economy of Newcastle and the wider region. The group currently employs around 39 FT equivalent people. All profits are reinvested in support of our charitable objectives.

Our vision is to enrich the lives of people in the North East through film. Our mission is for people to be inspired, educated and entertained through the art of film. We value all aspects of film and its potential to connect, celebrate, educate, entertain and to help us make sense of our lives and the experiences of others.

Our heritage is evident in our 1930s Art Deco building, housing the last surviving newsreel theatre still showing films. Our more recent history as a ground-breaking independent cinema started in 1968 when the British Film Institute funded the reopening of the venue as the Tyneside Film Theatre and continued through the 70s, 80s and 90s. Between 2008 and 2015 the scale and profile of the cinema was developed through the addition of new screens and substantial investment in our hospitality venues, creating the opportunity for a more versatile programme and the ability to host a larger number of customers. From early 2020 to the summer of 2021 the cinema was unable to operate due to the pandemic and flood damage. The cinema and our hospitality venues reopened in August 2021 with a new board of trustees and senior management team and since then audience numbers have gradually increased, but are still at a lower level than before the pandemic. We are now focused on building an audience base for the future and the development of a clear organisational personality that leverages our difference as a unique, independent space for film.

Restructuring

The cinema reopened in August 2021 following a period of rebuilding and renovation as a consequence of the pandemic and serious flood damage sustained earlier in the year. Over the next two and half years, the group’s management team was led by one long term and then a short term interim CEO. The board had intended to appoint a permanent CEO in the first half of 2023. However, the pandemic cast a very long shadow and in common with all cinemas, our audience returned more slowly than anticipated (and at the end of the year to 31 March 2023 had still not reached pre-pandemic levels). As a result of significantly reduced trading income in all operations, it became apparent that the group’s financial position would continue to deteriorate and the board decided to pause the CEO recruitment process until the group’s finances had stabilised.

During the 2023 calendar year steps were taken to restructure the team and implement other cost saving measures. A fundraising appeal was launched as a result of which some £100,000 was raised in donations during the 2023 calendar year (a tremendous demonstration of the important role Tyneside Cinema plays in the region). With the support of its lenders, the group’s long term debt was restructured and terms were agreed with the group’s landlord for the settlement of outstanding rent. As a result of the very significant support shown by our customers, landlord and lenders, the board was then able to negotiate and in June 2024 draw down a new £700,000 loan which has provided working capital and enabled the group to make investments in its operations.

Tyneside Cinema

Trustees' Report

Fundraising disclosures

All fundraising is carried out with the full oversight of the Trustees. Tyneside Cinema strives to provide an excellent service to all of our supporters and any complaints are dealt with by our service team.

Tyneside Cinema prides itself on a high standard and we continually review how we contact the public to ask for support. This ensures we follow regulations, meet our own high standard, and exceed the public expectation.

We take responsibility towards supporters who may be considered vulnerable very seriously. Our fundraising and customer service teams are trained to respond sensitively and appropriately to any individual they may consider to be vulnerable.

There was no third-party fundraising and no complaints in the year.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

In anticipation of the group’s long term finances being secured, the board was in a position to appoint a permanent CEO. In February 2024 Nic Greenan joined Tyneside Cinema as CEO. Nic brings more than two decades of experience in driving major strategic cultural programmes and capital projects in Yorkshire, being named Yorkshire Woman of the Year in 2017. She joined Tyneside Cinema following four successful years as Strategic Lead of City of Culture Policy & Events at Bradford MDC, where she played a pivotal role as part of the leadership team that won the UK City of Culture 2025 bid for Bradford.

She also led on the successful bid to bring Brit School North to Bradford, and was instrumental in the development of The Unit, a new screen talent hub in partnership with Channel 4.

Cinema

Despite the financial and operation challenges that we faced during the year to March 2023, we worked hard to ensure that the Tyneside Cinema continued to be a home for great independent film, with a broad and diverse programme with appeal for a wide variety of audiences. We did this by hosting over 5,900 film screenings of more than 600 different films, representing more than 25 countries, from new releases to bold original programmes focused on a diverse range of themes in addition to our well established and much loved Halloween and Christmas programmes.

The business model for cinemas is very challenging with up to 60% of box office income being payable to film distributors. The pandemic has resulted in a change in customer behaviour. We cannot compete on price with home streaming and we do not believe it is appropriate to try to do so. Our challenge is to continue to show our audiences that the cinema experience is wholly different from watching a film at home. That means reminding returning customers and showing new customers what makes the traditional cinema experience so unique and what it feels like to watch a film in a heritage cinema. At the Tyneside Cinema we provide something that cannot be recreated at home: the excitement of going to see an eagerly anticipated new release film (who can forget the buzz of Barbie and Oppenheimer in 2023?) or a familiar, much loved classic (perhaps on 35mm film), sharing that experience with friends, family and neighbours in a packed cinema auditorium, making new memories, remembering the first film you saw at the cinema.

We remain committed to continuing to provide that special cinema experience as we have done for nearly 90 years. But that does mean that we have to charge a fair price that enables us to operate on a sustainable basis, so that we can continue to show film current and future generations. We continue to offer very significantly discounted prices for customers receiving universal credit, people in full time education, young people aged 16 and under, senior citizens and disabled people. We also provide dementia friendly and parent and child screenings together with targeted concessions for particular sections of our communities.

Events

Our building has a long and deep heritage and is a historically important part of the history of cinema in the region. While our cinemas are primarily used to show films to our audiences, the cinema building is available to hire as a venue for businesses and other organisations, film premieres, private parties and other events. There are opportunities to grow this activity without impinging on our public film programme and we see this as an important part of how Tyneside Cinema will establish a sound financial foundation.
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Hospitality
Our hospitality business delivers important elements of our social and community ambitions by offering welcoming spaces in which to eat and drink. We see significant potential to develop and grow the profits generated by our hospitality venues which are an important part of how we finance our charitable activities. We will ensure that we remain commercially focused while continuing to provide a varied range of options for our customers in a safe environment in the city centre

Engagement
In December 2022 Arts Council England announced that we had been unsuccessful in our application for core funding for our engagement programme. Sadly this meant that during 2023 it was necessary to pause our delivery of that programme. We are very proud of the collaborations and participatory projects with individuals, groups and communities that we have delivered. Our engagement activity included artist commissions, participatory projects with children, young people and adults from diverse communities and backgrounds together with events for the public and creative communities of the North East.

As the group's finances stabilise, we remain very focused on generating surpluses from our business operations to invest in projects that ensure that we reach as many communities as possible in our region. We also intend to work with a broad range of funders, so that we can grow our engagement activities on a sustainable basis with the intention of broadening and deepening this work which is a vital part of our role in our city and our region.

Employment
The Tyneside Cinema group is a Real Living Wage employer. Although this puts some of our operations at a competitive disadvantage when compared with other venues in the city, we believe that it is important that we continue to provide good, flexible employment opportunities on fair terms. We intend to ensure that as our operations grow and develop, we take active steps to make new employment opportunities accessible to all our communities.

Financial review
It continues to be a challenging time for Tyneside Cinema with audience numbers that although they are growing, remain significantly below pre-pandemic levels. We generate the vast majority of our income from our cinema, events and hospitality operations. During the 2022/23 year our income split was 84% earned and 16% grant income. This is a significant improvement from the 37% earned and 63% grant and public subsidy for the year 2021/2022.

The cash balance at the end of the period was £359,444 when the group was under growing financial pressure. The group's financial position was strengthened by our proactive action to reduce our cost base and implement efficiencies where possible and was further improved in June 2024 by the drawdown of a new £700,000 loan and the restructuring of existing long term loans and short term debts.

At the year end, total funds of the group amount to £1,430,654. However the majority is not freely available because the balance is invested in fixed assets or has a restriction for other purposes. The wholly owned subsidiary Tyneside Cinema Trading Co. Ltd. made a Loss of £59,330 (2021/22- Surplus: £59,380).

Policy on reserves

The funds of the group as of 31 March 2023 were £1,430,654 of which £1,736,247 were restricted, with a consequent deficit on unrestricted funds of £305,593. Consequently, free unrestricted funds are in deficit by £442,011.

The trustees regularly review the reserve levels to ensure that they are appropriate. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees have agreed a policy that the charity should aim to hold a level of unrestricted reserves (namely those not held for a specific purpose) of £275,000. The trustees believe that this level of reserves is the minimum necessary to ensure the financial sustainability of the charity, given the uncertainty in both amount and timing of much of our income.

Investment policy and powers

Under the memorandum and articles of association, the charity has the power to invest in any way the trustees wish.

Plans for future periods

The cinema is open again and audiences and guests have returned. Attendances are lower than pre-pandemic figures but in line with other UK cinemas. Our plan for the future is to build our audiences, business skills and our resilience. We have a highly competent management team and a dedicated, confident staff. On this basis we are building our business to ensure we achieve maximum revenue, margins and cultural value for our beneficiaries.

We will continue to develop the role and contribution of our board of trustees, linking them more closely with our senior leadership team to develop strategy and plans. We will continue to embed the recommendations of the independent review into our everyday practice, and we aim to be recognised as an exemplary employer.

Tyneside Cinema is a unique organisation that is vital to the cultural landscape of Newcastle and the North East. Through film, learning and hospitality we will continue to serve our audiences and guests as a world-class independent cinema.

Going concern

The Trustees consider that it is appropriate to prepare the financial statements on a going concern basis. The £700,000 loan received from Northstar Ventures, £233,475 grant awarded by Heritage Lottery Fund, and an extension to capital repayment terms on other long term loans, will provide the funds to support the strategic and operational changes that (along with the continued growth of post pandemic audiences) are intended to see the charity return to generating annual surpluses.

The Trustees and newly appointed CEO continue to investigate opportunities to enhance the long term sustainability of the charity, through improving the financial and operational performance of existing offerings and expanding our audiences. Realignment of staff roles and responsibilities is yielding both cost savings and operational efficiencies, and continuous reviews of contracted services have already delivered recurring annual savings.

As a result of all the above considerations, the Trustees consider the going concern basis to be appropriate.

Statement of trustees' responsibilities
The trustees (who are also the directors of Tyneside Cinema 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. 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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor
Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor
Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a decision to appoint auditors will be made at the forthcoming Annual General Meeting.

Tyneside Cinema

Trustees' Report

The annual report was approved by the trustees of the charity on 03 December 2024 and signed on its behalf by:

...James Beirne 03 Dec 2024 10:23:00 GMT (UTC +0)

J P Beirne
Trustee

Independent Auditor's Report to the Members of Tyneside Cinema

Opinion
We have audited the financial statements of Tyneside Cinema (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2023 and of the group's 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Tyneside Cinema

Independent Auditor's Report to the Members of Tyneside Cinema

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 matter 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 and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 9), the trustees 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

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.

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

• Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;

• Reviewing board minutes;

• Challenging assumptions and judgements made by management in their significant accounting estimates;

• Review financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and

• Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements; and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the event and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to be recognise the non-compliance.

Use of our report
This report is made solely to the charitable parent company's trustees, 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 group's trustees those matters we are required to state to them in an auditor's 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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Tyneside Cinema

Independent Auditor's Report to the Members of Tyneside Cinema

Simon Brown

Simon Brown 03 Dec 2024 10:37:01 GMT (UTC +0)

Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 03 December 2024

Azets Audit Services is a trading name of Azets Audit Services Limited.

Tyneside Cinema

Consolidated Statement of Financial Activities for the Year Ended 31 March 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	4	164,452	241,320	405,772	2,069,204
Charitable activities	5	1,310,534	-	1,310,534	792,576
Other trading activities	6	1,078,991	-	1,078,991	647,859
Other income	7	9,258	-	9,258	399,345
Total Income		2,563,235	241,320	2,804,555	3,908,984
Expenditure on:					
Raising funds	8	(1,539,945)	(195,107)	(1,735,052)	(1,255,165)
Charitable activities	9	(1,796,266)	(492,678)	(2,288,944)	(2,235,359)
Total Expenditure		(3,336,211)	(687,785)	(4,023,996)	(3,490,524)
Net (expenditure)/income		(772,976)	(446,465)	(1,219,441)	418,460
Transfers between funds		(40,847)	40,847	-	-
Net movement in funds		(813,823)	(405,618)	(1,219,441)	418,460
Reconciliation of funds					
Total funds brought forward		508,230	2,141,865	2,650,095	2,231,635
Total funds carried forward	23	(305,593)	1,736,247	1,430,654	2,650,095

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 23.

Tyneside Cinema

(Registration number: 01113101)
Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	2,064	13,385
Tangible assets	15	2,555,230	3,015,278
Investments	16	10,000	10,000
		2,567,294	3,038,663
Current assets			
Stocks	17	21,053	21,757
Debtors	18	135,218	344,905
Cash at bank and in hand		359,444	1,131,274
		515,715	1,497,936
Creditors: Amounts falling due within one year	19	(916,879)	(1,032,029)
Net current (liabilities)/assets		(401,164)	465,907
Total assets less current liabilities		2,166,130	3,504,570
Creditors: Amounts falling due after more than one year	20	(735,476)	(854,475)
Net assets		1,430,654	2,650,095
Funds of the group:			
Restricted income funds			
Restricted funds	23	1,736,247	2,141,865
Unrestricted income funds			
Unrestricted funds		(305,593)	508,230
Total funds	23	1,430,654	2,650,095

The financial statements on pages 15 to 41 were approved by the trustees, and authorised for issue on 03 December 2024 and signed on their behalf by:

James Beirne 03 Dec 2024 10:23:00 GMT (UTC +0)

J P Beirne
Trustee

Tyneside Cinema

(Registration number: 01113101)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	2,064	13,385
Tangible assets	15	2,478,546	2,939,075
Investments	16	10,001	10,001
		2,490,611	2,962,461
Current assets			
Debtors	18	466,670	487,727
Cash at bank and in hand		97,857	986,121
		564,527	1,473,848
Creditors: Amounts falling due within one year	19	(671,013)	(798,072)
Net current (liabilities)/assets		(106,486)	675,776
Total assets less current liabilities		2,384,125	3,638,237
Creditors: Amounts falling due after more than one year	20	(677,143)	(771,142)
Net assets		1,706,982	2,867,095
Funds of the charity:			
Restricted income funds			
Restricted funds	23	1,736,247	2,141,865
Unrestricted income funds			
Unrestricted funds		(29,265)	725,230
Total funds	23	1,706,982	2,867,095

The financial statements on pages 15 to 41 were approved by the trustees, and authorised for issue on 03 December 2024 and signed on their behalf by:

James Beirne 03 Dec 2024 10:23:00 GMT (UTC +0)

J P Beirne
Trustee

Tyneside Cinema

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (expenditure)/income		(1,219,441)	418,460
Adjustments to cash flows from non-cash items			
Depreciation	8	494,163	486,127
Amortisation	8	11,321	18,762
		(713,957)	923,349
Working capital adjustments			
Decrease/(increase) in stocks	17	704	(9,344)
Decrease/(increase) in debtors	18	209,687	(85,066)
(Decrease)/increase in creditors	19	(69,085)	197,257
Net cash flows from operating activities		(572,651)	1,026,196
Cash flows from investing activities			
Purchase of intangible fixed assets	14	-	(180)
Sale of intangible fixed assets		-	15,746
Purchase of tangible fixed assets	15	(35,048)	(139,958)
Sale of tangible fixed assets		933	9,210
Net cash flows from investing activities		(34,115)	(115,182)
Cash flows from financing activities			
Repayment of loans and borrowings	19	(165,064)	(102,367)
Net (decrease)/increase in cash and cash equivalents		(771,830)	808,647
Cash and cash equivalents at 1 April		1,131,274	322,627
Cash and cash equivalents at 31 March		359,444	1,131,274

All of the cash flows are derived from continuing operations during the above two periods.

Tyneside Cinema

Notes to the Financial Statements for the Year Ended 31 March 2023

1. Going Concern

The Trustees consider that it is appropriate to prepare the financial statements on a going concern basis. The £700,000 loan received from Northstar Ventures, £233,475 grant awarded by Heritage Lottery Fund, and an extension to capital repayment terms on other long term loans, will provide the funds to support the strategic and operational changes that (along with the continued growth of post pandemic audiences) are intended to see the charity return to generating annual surpluses.

The Trustees and newly appointed CEO continue to investigate opportunities to enhance the long term sustainability of the charity, through improving the financial and operational performance of existing offerings and expanding our audiences. Realignment of staff roles and responsibilities is yielding both cost savings and operational efficiencies, and continuous reviews of contracted services have already delivered recurring annual savings.

As a result of all the above considerations, the Trustees consider the going concern basis to be appropriate.

2 Charity status

The charity is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Newe House, 10 Pilgrim Street, Newcastle upon Tyne, NE1 6QG

3 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

These financial statements are prepared in sterling which is the functional currency of the entity.

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after tax for the financial year of £1,160,113 (2022- surplus of £418,460.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Estimation uncertainty and judgements
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

There are considered to be no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which effect the amounts recognised in the financial statements.

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Income received in advance for shows are deferred until the screening or performance actually takes place.

Expenditure

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

Raising funds

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

Charitable activities

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

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

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

Government grants

Government grants are recognised on the performance model and are measured at the fair value of the asset received or receivable. Grants are recognised in income once the performance conditions of entitlement are met.

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

Intangible assets - Website
Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

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

Asset class	Amortisation method and rate
Website costs	3 - 5 years straight line

Tangible fixed assets
Individual fixed assets costing £100 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Asset class	Depreciation method and rate
Leasehold land and buildings	Over the term of the lease
Cinema technical equipment	10 - 33% straight line
Fixtures and fittings	20 - 33% straight line

Fixed asset investments
Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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

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

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

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

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

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

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Defined contribution plan
Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Grants received	130,162	241,320	371,482
General donations	34,290	-	34,290
	164,452	241,320	405,772

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Grants received	1,733,880	312,831	2,046,711
General donations	22,493	-	22,493
	1,756,373	312,831	2,069,204

5 Income from charitable activities

	Unrestricted funds General £	Total 2023 £
Cinema activities	868,074	868,074
Food and drink sales	134,530	134,530
Facilities hire	167,770	167,770
Advertising	43,985	43,985
Memberships	81,595	81,595
Commission	14,580	14,580
	1,310,534	1,310,534

	Unrestricted funds General £	Total 2022 £
Cinema activities	595,174	595,174
Food and drink sales	90,087	90,087
Facilities hire	50,147	50,147
Advertising	21,642	21,642
Memberships	25,145	25,145
Commission	10,381	10,381
	792,576	792,576

Tyneside Cinema

Notes to the Financial Statements for the Year Ended 31 March 2023

6 Income from other trading activities

	Unrestricted funds General £	Total 2023 £
Other trading activities	1,078,991	1,078,991
	1,078,991	1,078,991

	Unrestricted funds General £	Total 2022 £
Other trading activities	647,859	647,859
	647,859	647,859

7 Other income

	Unrestricted funds General £	Total 2023 £
Insurance claim income	9,258	9,258

	Unrestricted funds General £	Total 2022 £
Insurance claim income	315,938	315,938
Coronavirus Job Retention Scheme	83,407	83,407
	399,345	399,345

8 Expenditure on raising funds

	Direct costs £	Allocated support costs £	Total 2023 £
Staff costs	682,752	-	682,752
Costs of trading activities	426,644	-	426,644
Deprecation	22,520	232,277	254,797
Other costs of generating funds	-	370,859	370,859
	1,131,916	603,136	1,735,052

	Direct costs £	Allocated support costs £	Total 2022 £
Staff costs	528,080	-	528,080
Costs of trading activities	239,187	-	239,187
Depreciation	12,031	187,836	199,867
Other costs of generating funds	-	288,031	288,031
	779,298	475,867	1,255,165

Within Support deprecation is restricted costs of £195,107 (2022- £154,775).

9 Expenditure on charitable activities

	Unrestricted funds General - Direct Activity £	Restricted funds £	Total 2023 £
Staff costs	892,416	244,667	1,137,083
Premises costs	234,908	-	234,908
Activity costs	469,446	-	469,446
Depreciation and amortisation	40,103	210,511	250,614
Operating lease charges	49,816	-	49,816
Audit fees	15,200	-	15,200
Governance costs	4,266	-	4,266
Other Support Costs	90,111	37,500	127,611
	1,796,266	492,678	2,288,944

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Staff costs	657,480	312,830	970,310
Premises costs	252,880	-	252,880
Activity costs	471,105	-	471,105
Depreciation and amortisation	53,581	250,842	304,423
Operating lease charges	90,909	-	90,909
Governance costs	29,787	-	29,787
Other Support Costs	115,945	-	115,945
	1,671,687	563,672	2,235,359

10 Analysis of governance and support costs

Support costs allocated to raising funds

	Administration costs £	Premises costs including depreciation £	Total 2023 £
Deprecation	-	232,277	232,277
Operating leases	-	46,170	46,170
Premises support Costs	-	206,409	206,409
Other costs for generating funds	118,280	-	118,280
	118,280	484,856	603,136

	Premises costs including depreciation £	Total 2022 £
Deprecation	187,836	187,836
Premises support Costs	288,031	288,031
	475,867	475,867

Support costs allocated to charitable activities

	Governance costs £	Administration costs £	Premises costs including depreciation £	Total 2023 £
Deprecation	-	-	250,614	250,614
Operating eases	-	-	49,816	49,816
Premises costs	-	-	222,706	222,706
Audit fees	15,200	127,615	-	142,815
Other Support Costs	4,266	-	-	4,266
	19,466	127,615	523,136	670,217

	Governance costs £	Administration costs £	Premises costs including depreciation £	Total 2022 £
Deprecation	-	-	304,424	304,424
Operating eases	-	-	90,909	90,909
Premises costs	-	-	243,471	243,471
Audit fees	10,000	115,941	-	125,941
Other Support Costs	19,787	-	-	19,787
	29,787	115,941	638,804	784,532

11 Trustees remuneration and expenses

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

12 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	1,651,782	1,346,831
Social security costs	133,750	94,217
Pension costs	30,106	22,103
	1,815,638	1,463,151

The monthly average number of persons (including senior management / leadership team) employed by the group during the year was as follows:

	2023 No	2022 No
Charitable activities and raising funds	71	69
Management and administration	8	8
	79	77

The number of employees whose emoluments fell within the following bands was:

	2023 No	2022 No
£80,001 - £90,000	1	1

The total employee benefits of the key management personnel of the group were £135,245 (2022 - £137,484).

13 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

14 Intangible fixed assets

Group

	Website £	Total £
Cost		
At 1 April 2022	55,856	55,856
At 31 March 2023	55,856	55,856
Amortisation		
At 1 April 2022	42,471	42,471
Charge for the year	11,321	11,321
At 31 March 2023	53,792	53,792
Net book value		
At 31 March 2023	2,064	2,064
At 31 March 2022	13,385	13,385

Charity

	Website £	Total £
Cost		
At 1 April 2022	55,856	55,856
At 31 March 2023	55,856	55,856
Amortisation		
At 1 April 2022	42,471	42,471
Charge for the year	11,321	11,321
At 31 March 2023	53,792	53,792
Net book value		
At 31 March 2023	2,064	2,064
At 31 March 2022	13,385	13,385

Tyneside Cinema

Notes to the Financial Statements for the Year Ended 31 March 2023

15 Tangible fixed assets

Group

	Leasehold land and buildings £	Fixtures and fittings £	Cinema technical equipment £	Total £
Cost				
At 1 April 2022	8,155,687	321,062	138,264	8,615,013
Additions	-	34,647	401	35,048
Disposals	-	-	(975)	(975)
At 31 March 2023	8,155,687	355,709	137,690	8,649,086
Depreciation				
At 1 April 2022	5,367,157	141,794	90,784	5,599,735
Charge for the year	434,096	51,967	8,100	494,163
Eliminated on disposals	-	-	(42)	(42)
At 31 March 2023	5,801,253	193,761	98,842	6,093,856
Net book value				
At 31 March 2023	2,354,434	161,948	38,848	2,555,230
At 31 March 2022	2,788,530	179,268	47,480	3,015,278

Charity

	Leasehold land and buildings £	Fixtures and fittings £	Cinema technical equipment £	Total £
Cost				
At 1 April 2022	8,155,687	207,696	138,264	8,501,647
Additions	-	11,646	401	12,047
Disposals	-	-	(975)	(975)
At 31 March 2023	8,155,687	219,342	137,690	8,512,719
Depreciation				
At 1 April 2022	5,367,157	104,631	90,784	5,562,572
Charge for the year	434,096	29,447	8,100	471,643
Eliminated on disposals	-	-	(42)	(42)
At 31 March 2023	5,801,253	134,078	98,842	6,034,173
Net book value				
At 31 March 2023	2,354,434	85,264	38,848	2,478,546
At 31 March 2022	2,788,530	103,065	47,480	2,939,075

16 Fixed asset investments

Group

	Art exhibition £	Total £
Cost or Valuation		
At 1 April 2022	10,000	10,000
At 31 March 2023	10,000	10,000
Net book value		
At 31 March 2023	10,000	10,000
At 31 March 2022	10,000	10,000

Charity

	2023 £	2022 £
Shares in group undertakings and participating interests	1	1
Art exhibition	10,000	10,000
	10,001	10,001

The company owns the entire £1 share capital of Tyneside Cinema Trading Co. Ltd (company number 08804734), which is incorporated in the United Kingdom.

The Art Exhibition is a piece of visual art called the Mariner 9 commissioned by the charity from the artist Kelly Richardson.

Subsidiaries

The loss for the financial period of Tyneside Cinema Trading Co. Ltd was £59,330 (2022 - Profit £59,380 and the aggregate amount of capital and reserves at the end of the period were in deficit by £276,327 (2022 - Deficit £216,997).

Summary Statement of Comprehensive Income	**2023**	**2022**
	£	**£**
Turnover	1,198,461	691,674
COS	(399,056)	(197,372)
Administrative expense	(858,735)	(705,138)
Other operating income		270,216
Taxation	-	
Net (loss)/profit	(59,330)	59,530

The assets and liabilities of the subsidiary were:	**2023**	**2022**
	£	**£**
Fixed assets	76,683	76,203
Current assets	319,322	219,946
Creditors: amounts falling due within one year	(611,470)	(427,284)
Creditors: amounts falling due after more than one year	(58,333)	(83,333)
Deferred tax	(2,529)	(2,529)
Total net assets	(276,327)	(216,997)

17 Stock

	Group		**Charity**	
	2023	**2022**	**2023**	**2022**
	£	**£**	**£**	**£**
Stocks	21,053	21,757	-	-

18 Debtors

	Group		Charity	
	2023	**2022**	**2023**	**2022**
	£	**£**	**£**	**£**
Trade debtors	37,122	114,565	15,941	85,635
Due from group undertakings	-	-	368,135	193,329
Prepayments	59,723	43,460	52,937	29,710
Accrued income	29,400	173,722	29,400	173,722
Other debtors	8,973	13,158	257	5,331
	135,218	344,905	466,670	487,727

Trade debtors include bad debt provision of £256 (2022: £3,472).

Amounts due from group undertakings are due on demand.

19 Creditors: amounts falling due within one year

	Group		Charity	
	2023	**2022**	**2023**	**2022**
	£	**£**	**£**	**£**
Bank loans	116,903	162,968	91,903	137,968
Trade creditors	477,623	357,065	390,644	328,388
Other taxation and social security	30,076	27,724	21,533	19,209
VAT	66,562	93,997	16,716	8,319
Other creditors	35,752	37,769	32,562	37,769
Accruals & deferred income	189,963	352,506	117,655	266,419
	916,879	1,032,029	671,013	798,072

Deferred income

Group

	2023 £	2022 £
Deferred income at 1 April 2022	146,943	203,770
Resources deferred in the period	25,824	146,943
Amounts released from previous periods	(146,943)	(203,770)
Deferred income at year end	25,824	146,943

Charity

	2023 £	2022 £
Deferred income at 1 April 2022	109,996	189,431
Resources deferred in the period	-	109,996
Amounts released from previous periods	(109,996)	(189,431)
Deferred income at year end	-	109,996

20 Creditors: amounts falling due after one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Bank loans	277,667	396,666	219,334	313,333
Other loans	457,809	457,809	457,809	457,809
	735,476	854,475	677,143	771,142

Various loans are owed to HSBC and Newcastle City Council. Two loans with HSBC were due for repayment in May 2021 and August 2021 with interest rates of 3.8% and 4.3% respectively. At the end of March 2021 these loans were repaid and a new loan for £67k was agreed at an interest rate of 3.8% over base rate and due for repayment by March 2023.

The loans with Newcastle City Council are due for repayment April 2027 with interest rates of 4.87% and 3.43% respectively over the Bank of England base rate. The loans are secured on the leasehold property. In June 2024 this was extended to 2065 and capital repayments delayed until 2035.

Two further loans with HSBC under the Coronavirus Business Interruption Loan Scheme were taken out in July 2020 totalling £595,000. Repayment of these loans is over 5 years starting August 2021. Interest rates are 3.99% over the Bank of England base rate. In June 2024 the loan term was extended to August 2030.

HSBC have the following securities held:
Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 7 October 2020.

21 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity
	2023	**2022**	**2022**
	£	**£**	**£**
Land and buildings			
Within one year	159,204	150,028	94,898
Between one and five years	454,000	425,295	384,023
After five years	258,951	300,510	300,510
	872,155	875,833	779,431
Other			
Within one year	3,713	3,067	3,067
Between one and five years	2,215	4,432	4,432
	5,928	7,499	7,499

22 Commitments

Grants receivable from the European Regional Development Fund, Arts Council England, BFI and Heritage Lottery Fund are repayable if the charity fails to keep to the terms of the agreement with the grant funders, undergoes a significant change in status, ceases to operate or is declared insolvent within the period to 2028 for the European Regional Development Fund and.2031 for the Heritage Lottery Fund. Annual depreciation regarding the property, is being charged annually against the restricted funds.

The agreement with Heritage Lottery Fund is secured by legal charges over the leasehold property at 10 Pilgrim Street, Newcastle upon Tyne.

23 Funds

Group

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
General					
General funds	(405,711)	2,563,235	(3,336,211)	873,094	(305,593)
Designated funds	913,941	-	-	(913,941)	-
	508,230	2,563,235	(3,336,211)	(40,847)	(305,593)
Restricted funds					
Capital development	2,141,865	-	(405,618)	-	1,736,247
Arts Council	-	60,105	(71,608)	11,503	-
Project grants	-	181,215	(210,559)	29,344	-
Total restricted funds	2,141,865	241,320	(687,785)	40,847	1,736,247
Total funds	2,650,095	2,804,555	(4,023,996)	-	1,430,654

Charity

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
General					
General funds	(188,711)	1,364,775	(2,078,423)	873,094	(29,265)
Designated funds	913,941	-	-	(913,941)	-
	725,230	1,364,775	(2,078,423)	(40,847)	(29,265)
Restricted funds					
Capital development	2,141,865	-	(405,618)	-	1,736,247
Arts Council	-	60,105	(71,608)	11,503	-
Project grants	-	181,215	(210,559)	29,344	-
Total restricted funds	2,141,865	241,320	(687,785)	40,847	1,736,247
Total funds	2,867,095	1,606,095	(2,766,208)	-	1,706,982

The specific purposes for which the funds are to be applied are as follows:

General reserves - the general reserves represent the free funds of the charity which are not designated for any particular purpose.

Restricted funds:
Arts Council - revenue funding to support the digital and creative media arts programme at the Tyneside Cinema.
Capital Development fund - for the refurbishment and modernisation of Tyneside Cinema.

A grant was received from Art Council England's Cultural Recovery Fund during the 2022 year end. A condition of this grant was that part of this fund was to be used to reflate the charity's reserves and therefore the trustees agreed in 2022 that a designated fund of £913,941 would be created for this purpose, which was fully utilised during 2023.

24 Analysis of net assets between funds

Group

	Unrestricted General £	Restricted £	Total funds £
Intangible fixed assets	2,064	-	2,064
Tangible fixed assets	859,830	1,695,400	2,555,230
Fixed asset investments	10,000	-	10,000
Net current assets/(liabilities)	(442,011)	40,847	(401,164)
Creditors over 1 year	(735,476)	-	(735,476)
Total net assets	(305,593)	1,736,247	1,430,654

	Unrestricted			
	General £	Designated £	Restricted £	Total funds at 31 March 2022 £
Intangible fixed assets	13,385	-	-	13,385
Tangible fixed assets	873,413	-	2,141,865	3,015,278
Fixed asset investments	10,000	-	-	10,000
Net current assets/(liabilities)	(448,034)	913,941	-	465,907
Creditors over 1 year	(854,475)	-	-	(854,475)
Total net assets	(405,711)	913,941	2,141,865	2,650,095

25 Analysis of net funds

Group

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,131,274	(771,830)	359,444
Debt due within one year	(162,968)	46,065	(116,903)
Debt due after more than one year	(854,475)	118,999	(735,476)
Net debt	113,831	(606,766)	(492,935)

Charity

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	986,121	(888,264)	97,857
Debt due within one year	(137,968)	46,065	(91,903)
Debt due after more than one year	(771,142)	93,999	(677,143)
Net debt	77,011	(748,200)	(671,189)

26 Related party transactions

Charity

The charity has taken the exemption contained within FRS 102 for disclosing transactions with its wholly owned subsidiary as consolidated financial statements are prepared.

M Such, one of the charity's trustees, is Chief Executive Officer of Curtis Gabriel, a digital marketing agency. Curtis Gabriel charged the charity £Nil (2022: £1,800) during the year for marketing and communications advice, all of which was charged at normal commercial rates.

27 Non-adjusting events after the financial period

A £700,000 loan from Northstar Ventures was secured June 2024.

Tyneside Cinema

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2022 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £
Income and Endowments from:				
Donations and legacies	4	1,756,373	312,831	2,069,204
Charitable activities	5	792,576	-	792,576
Other trading activities	6	647,859	-	647,859
Other income	7	399,345	-	399,345
Total income		3,596,153	312,831	3,908,984
Expenditure on:				
Raising funds	8	(1,067,329)	(187,836)	(1,255,165)
Charitable activities	9	(1,704,747)	(530,612)	(2,235,359)
Total expenditure		(2,772,076)	(718,448)	(3,490,524)
Net income/(expenditure)		824,077	(405,617)	418,460
Net movement in funds		824,077	(405,617)	418,460
Reconciliation of funds				
Total funds brought forward		(315,847)	2,547,482	2,231,635
Total funds carried forward	23	508,230	2,141,865	2,650,095

TYNESIDE CINEMA

England & Wales - Charity number 502592

Accounts

Company registration number: 01113101

Charity registration number: 502592

Tyneside Cinema

(A company limited by guarantee)

Consolidated Annual Report and Financial Statements

for the Year Ended 31 March 2022

Tyneside Cinema

Contents

Tyneside Cinema

Reference and Administrative Details

Trustees	I A Watson (appointed 9 February 2022) J L Shepstone N J Short (appointed 9 February 2022) J Wade (resigned 9 February 2022) J P Beirne (appointed 1 September 2021) R P Carmichael (resigned 30 June 2022) A A Fellows (appointed 9 February 2022) S K Bratch M Such (resigned 13 April 2022) C Binns
Secretary	N Morgan
Key Management Personnel	S Drysdale, Chief executive officer N Morgan, Head of finance and administration
Registered Office	Newe House 10 Pilgrim Street Newcastle upon Tyne NE1 6QG
Company Registration Number	01113101
Charity Registration Number	502592
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne Tyne And Wear NE1 4BF
Bankers	HSBC Bank plc Newcastle Upon Tyne 110 Grey Street Newcastle upon Tyne NE1 6JG
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Tyneside Cinema

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2022.

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee (incorporated 10 May 1973) and as such is governed by its memorandum and articles of association, last amended by special resolution dated 30 July 2014. It is registered as a charity with the Charity Commission.

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Recruitment and appointment of trustees

The directors of the company are also trustees of the charity. They are unpaid and give their time freely and generously, bringing to bear significant skills to support the staff.

Term of office: trustees serve a maximum of two consecutive terms of three years each and the board meet at least four times per year.
Recruitment of trustees: the board has a fixed tenure for membership to ensure that the board is refreshed. It recruits new members through open advertising in its printed and online publicity. Applicants are shortlisted and are interviewed by the chair and other trustees.

Induction and training of trustees

New trustees are inducted by the chair of the board and the chief executive. They are given a tour of the cinema, a written induction pack which includes the charity's business plan and governing documents, and a copy of the staff handbook which details all of the charity’s operational policies. All trustees attend a formal session which discusses in detail the role and responsibilities of trustees.

Arrangements for setting key management personnel remuneration

Arrangements for setting pay and remuneration of key management personnel is consistent with all staff at the charity.

All trustees give their time freely; none of the trustees receive remuneration from their work with the charity. Details of related party transactions are disclosed in the notes to the accounts.

Organisational structure

A chief executive is appointed by the board to manage the day-to-day operations of the charity. The full board meets at least four times per year. Detailed written board reports and an agenda are prepared by the senior managers of the charity and circulated in advance of meetings. Board meetings are attended by the chief executive and senior leadership team.

Board decisions are made by simple majority vote.

The board also welcomes observers from its major stakeholders, Newcastle City Council, British Film Institute and Arts Council England.
Outside of these meetings, all trustees are invited to attend informal 'contact group' meetings with the heads of department on a voluntary basis. These meetings enable managers and trustees to stay in touch and build trustees understanding of the charity by allowing discussion and reflection in depth on particular aspects of the charity's work.

There is a standing group for Audit, Risk and Finance which consists of four trustees and meets every two months. Other sub-groups are formed to assist on specific and time-limited projects.

Tyneside Cinema is part of the Newcastle Gateshead Cultural Venues (NGCV) group. NGCV is a voluntary partnership of 10 organisations running 20 venues, archives and heritage sites in Tyne & Wear. There are quarterly meetings of functional areas, all organisations work together to share learning and information in order to maximise sustainability, as well as maximising social, cultural and economic impact.

Trading company
A wholly owned subsidiary trading company operates the Tyneside Bar and Cafe, Vicolo and Coffee Rooms situated on the ground and first floors of the cinema building. The building lease and some assets of the trading company are owned by the charity. The company shares the mission of the charity. Its aim is to provide a significant contributed income stream to support the charitable activities.

Related parties and other connected charities and organisations
The charity has a longstanding relationship with its key stakeholder Newcastle City Council. Newcastle City Council regards the cinema as one of the city's key cultural assets.
The charity has continued to fulfil its remit as a revenue funded client of Arts Council England as part of its 'National Portfolio'.

The charity owns the entire share capital of the trading subsidiary Tyneside Cinema Trading Co. Ltd. as described previously. The trading company has a licence to operate in the spaces it occupies which are leased to the cinema on a long term lease by the head landlords. Some of the assets utilised by the trading company are also all owned by the cinema, and a fair charge, based on floor space occupied, made for their use. All surpluses generated by the trading company will be gift aided to the Tyneside Cinema in furtherance of its charitable aims.

The charity works in partnership with charities, colleges, schools and other regional organisations to enhance the delivery and reach of its objectives.

Tyneside Cinema

Trustees' Report

Objectives and activities

Objects and aims

Tyneside Cinema is a cultural venue and social hub that is unique in its heritage, its community value, and its place in UK independent film exhibition history. As the only full-time independent cinema in the region, we play a vital part in Newcastle's creative economy, currently employing around 75 people across the charity and trading company with all profits reinvested in support of our charitable objectives.

Our vision is to enrich the lives of people in the North-East through film. Our mission is for people to be inspired, educated and entertained through the art of film. We value all aspects of film and its potential to connect, celebrate, educate, entertain, and to make sense of our lives and the experiences of others.

Our heritage is evident in our 1930's Art Deco building, housing the last surviving newsreel theatre still showing films. Our more recent history as a ground-breaking independent cinema started in 1968 when the British Film Institute funded the reopening of the venue as the Tyneside Film Theatre, and continued through the 70's, 80's and 90's with a succession of inspiring and highly respected Directors and Programmers. Between 2008 and 2015 the scale and profile of the cinema was developed through the addition of new screens, and substantial retail catering, creating the opportunity for a more versatile programme and more guests. From early 2020 to the summer of 2021 the cinema was unable to operate due to the pandemic and flood damage. In this period allegations were made against the organisation resulting in an independent review into its culture, management and governance. A complete reset of the institution and how it works was undertaken leading to a new management team, board, and plans for the future that have been fully supported by key stakeholders. The cinema reopened in August 2021 and since then has gradually rebuilt its programme and its guest offering. We are now focused on building an audience base for the future and the development of a clear organisational personality that leverages our difference as a unique, independent space for film.

Reopening post-pandemic

The cinema reopened in August 2021 following a period of rebuilding and renovation as a consequence of serious flood damage sustained earlier in the year. In June and July most staff members returned to work, many having been on furlough, to engage in a comprehensive programme of reintroduction and training led by the Senior Leadership team. We recruited new staff members throughout the autumn, mostly to deliver customer service work in our Operations and Hospitality teams. As audiences and guests returned we increased our operating hours in the Bar Café and our street side café, Vicolo. The Coffee Rooms remained closed while we built the team and monitored customer behaviour and demand. Our film programme returned to the pre-pandemic timetable, albeit with a significantly reduced number of popular new releases to exhibit due to reluctance from distributors to release films to an uncertain market.

A key focus for the Senior Leadership team in 2021-2022 was responding to the recommendations of the independent review into the previous failings of the organisation. A full, very positive, reset of the organisational culture of the cinema has been achieved, supported by exemplary systems, processes and policies. Strong, positive, relationships with stakeholders including BFI, Charities Commission and Arts Council England have been restored. New trustees were appointed to the board including an experienced new Chair. An ongoing trustee recruitment campaign will see further additions to the board.

Fundraising disclosures

All fundraising is carried out with the full oversight of the Trustees. Tyneside Cinema strives to provide an excellent service to all of our supporters and any complaints are dealt with by our service team.

Tyneside Cinema prides itself on a high standard and we continually review how we contact the public to ask for support. This ensures we follow regulations, meet our own high standard, and exceed the public expectation.

We take responsibility towards supporters who may be considered vulnerable very seriously. Our fundraising and customer service teams are trained to respond sensitively and appropriately to any individual they may consider to be vulnerable.

There was no third-party fundraising and no complaints in the year.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Film

Our priority for the cinema programme Tyneside Cinema in 2021-22 - aside from establishing how we work once again, with a new team and with a newly constituted department, as well as financial and reputational recovery - was about re-establishing the Tyneside Cinema as a home of great independent film, with a broad and diverse programme beloved by a wide variety of audiences. We did this by hosting over 3,000 film screenings of more than 250 different films, representing more than 25 countries, from new releases such as Annette, Another Round, The Nest, Drive My Car, Petit Maman, Spencer, The French Dispatch, The Power of the Dog, West Side Story, The Worst Person in the World, and much else besides; to bold original programmes focused on themes as diverse as female filmmakers working in horror cinema, the Japanese filmmaker Ryûsuke Hamaguchi, expansive Halloween and Christmas programmes; and programmes focused on the question of identity, as well as that of cinema itself.

Tyneside Cinema

Trustees' Report

Celebrating Tyneside Cinema as a space to discuss and engage more deeply with film, we also hosted Q&A screenings with filmmakers including Alastair Cole (Iorram), Ian McDonald (The First Year), Christine Molloy (Rose Plays Julie), Gerard Johnson (Muscle), Matt Johnson and Tim Pope (The Comeback Special), Joanna Hogg (The Souvenir Part II), Jules Williamson (Off the Rails), Elena Sánchez Bellot (Rebellion), Paul Sng (Year of the Dog), David Wilkinson (Getting Away with Murder(s), and Lizzie Thynne (Independent Miss Craigie).

In addition to restabilising the dynamic programme that the cinema has always been known for, we also used 2021-22 to embrace collaboration and working with outside organisations to both enrich our public programme and rebuild links with the film industry. This work included welcoming an Independent Cinema Office FEDS trainee to join our team for year, as well as delivering programmes in partnership with the BFI London Film Festival (a programme of national significance that represented a vote of confidence from a major funder, and one which generated significant audiences); the Doc n' Roll music documentary touring programme; the inaugural North East International Film Festival; The Japanese Touring Programme with the Japan Foundation; and finally our staff, with whom we launched the incredibly successful Team Choice strand (an ongoing part of the programme that celebrates the whole cinema team's passion for film) as well as a special 2022-23 edition of the cinema's famous Halloween All Nighter that was been programmed by wider staff. This work has helped to bolster our creativity whilst building links with our audiences, communities, industry and staff team.

We have built on all of this work in 2022 with our huge Summer of Cinema programme and campaign; seasons celebrating David Cronenberg, David Bowie and Iranian cinema; collaborations with Newcastle University, Stand Up to Racism North East, Northern Stage and others; Q&As and discussions with a host of filmmakers. Essentially, in 2021-22 the Tyneside Cinema re-established its reason for being by demonstrating the creative energy of its programme and by reengaging with its audiences.

Engagement

In 2021-22 we set out to explore what it meant to be an open, inclusive and relevant organisation through a series of provocations, collaborations and participatory projects with individuals, groups and communities.

Our planned activity fell into three main areas: commissions for artists; participatory projects with children, young people and adults; events for the public and creative communities of the North East.

Some of the planned activity in this period was subject to delays due to the late reopening of the venue, the creation of a new team to develop and produce the work and the impact of the organisation's previous failings documented in the independent review.

Engagement work focused on Artist Commissions and Participatory projects, some of which were delayed until the next financial year, including our End/Future programme which explores climate emergency and change.

Commissions: Despite the postponement of End/Future we achieved our commissions target (4) by committing to produce two additional artworks from the proposals we received for archive responses. All four works were developed by the artists working in the venue and remotely with the Cinema’s engagement team throughout 2022. Three are being exhibited in the public areas of the venue from October 2022 to March 2023. The fourth work will launch in early 2023. Given the very public placement of the works - in Box Office, on the stairwells and before feature films - there will be a substantial audience over the timescale of the exhibition and its impact will be measured throughout this period.

Participatory Projects: we delivered one of three participatory projects planned for 2021-22. The Artists Film Academy ran from October to December 2021 with twelve 16-to-19-year-olds taking part in a series of workshops that explored artist moving image as a medium for creative expression, acquiring new knowledge, skills and experience in creative idea development, digital technologies, teamwork, and the creation and presentation of a new artwork. The two artworks created were presented to the public at a showcase event at Tyneside Cinema in early 2022.

A significant amount of time was spent developing a Community Project during this period. As a result, a small group of seven participants will work together to make new work inspired by their experiences of living in the North East of England which will be showcased at the Cinema in December 2022.

Hospitality
Our hospitality business delivers important elements of our social and community ambitions by offering welcoming, affordable eating, drinking and meeting spaces in a safe environment in the city centre. In 2021-2022 these services were redefined and built up in line with new, post-pandemic, customer expectations. This work has been delivered by a newly developed, commercially focused team of hospitality industry professionals. Profit from the trading company supports the charity and a slow but consistent growth in activity and income in this area, plus a dedicated approach to venue hire and events, means we anticipate a positive financial return from this part of our organisation soon.

Financial review

It continues to be a challenging time for Tyneside Cinema with the COVID-19 pandemic still impacting the charity's financial position. The government restrictions were lifted two months into the financial year; however, the cinema and associated food and drink venues were only able to open in August 2021 due to a flood that caused widespread damage, resulting in a reduction of core trading income. Customer behaviour remains cautious with fewer numbers visiting the venue.

The majority of the charity's income in the current financial year related to various COVID grants, with substantial amounts awarded by the government's Culture Recovery Fund of approximately £1.5 million. A significant sum of around £299,000 was also secured from a business interruption claim. The income split has transformed and is now 37% earned and 63% public subsidy for the year 2021/2022 due to the venue finally being open and trading (2020/2021 17% and 83% respectively).

The cash balance has improved to a healthy figure of £1,131,274. However, the charity has loans totalling £1,017,443 including loans under the Coronavirus Business Interruption Loan Scheme.

The grant and trading income, together with our proactive action to reduce our cost base and implement efficiencies where possible have allowed our unrestricted reserves (including designated funds) to grow to £508,230, a positive movement of £824,077.

At the year end, total funds of the group amount to £2,650,095 however the majority is not freely available because the balance is invested in fixed assets or has a restriction for other purposes.

The intangible goodwill has been removed from the statutory accounts. The net book value is zero and the decision was taken by trustees to remove the schedule.

The wholly owned subsidiary Tyneside Cinema Trading Co. Ltd. has made a small profit of £59,380 (2020/2021 loss of £280,756).

Pricing policy

Our pricing policy remains unchanged and reflects our aim of engaging more, and more diverse, people in our programme. We intend to restart our heritage tours and newsreel screenings which are free, alongside our film programme, offering an opportunity for the public to view at no charge. We offer discount to anyone under 26 through the Young Tyneside card and £1 tickets for refugees, asylum seekers, those receiving Job Seekers Allowance, Universal Credit, Pension Credits, Employment & Support Allowance and Personal Independence Payments. Other offers include Young Tyneside cards.

Policy on reserves

The funds of the group as of 31 March 2022 were £2,650,095, of which £2,141,865 were restricted, with a consequent surplus on unrestricted funds of £824,077. Unrestricted funds include designated funds of £913,941 and fixed assets of £896,798. Consequently, free unrestricted funds are in deficit by £448,034.

The trustees regularly review the reserve levels to ensure that they are appropriate. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees have agreed a policy that the charity should aim to hold a level of unrestricted reserves (namely those not held for a specific purpose) of £275,000. The trustees believe that this level of reserves is the minimum necessary to ensure the financial sustainability of the charity, given the uncertainty in both amount and timing of much of our income.

The successful applications for emergency grant funding from the Arts Council of England's Culture Recovery Fund together with various other COVID related grant awards, means that the cinema's reserve position has been substantially strengthened and at the year end, unrestricted reserves (including designated reserves) are positive. Given the disruption caused by the COVID pandemic, the trustees are satisfied with the charity's progress in building its reserves.

Investment policy and powers

Under the memorandum and articles of association, the charity has the power to invest in any way the trustees wish.

Plans for future periods

The cinema is open again and audiences and guests have returned. Attendances are lower than pre-pandemic figures but in line with other UK cinemas. Our plan for the future is to build our audiences, business skills and our resilience. We have a highly competent management team and a dedicated, confident staff. On this basis we are building our business to ensure we achieve maximum revenue, margins and cultural value for our beneficiaries.

We will continue to develop the role and contribution of our board of trustees, linking them more closely with our senior leadership team to develop strategy and plans. We will continue to embed the recommendations of the independent review into our everyday practice, and we aim to be recognised as an exemplary employer.

Tyneside Cinema is a unique organisation that is vital to the cultural landscape of Newcastle and the North East. Through film, learning and hospitality we will continue to serve our audiences and guests as a world-class independent cinema.

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing its financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Tyneside Cinema

Trustees' Report

Statement of Trustees' Responsibilities
The trustees (who are also the directors of Tyneside Cinema for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 charitable 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 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 charitable company will continue in business.

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

Disclosure of information to auditor
Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor
MHA Tait Walker were appointed as auditor on 9 March 2022 replacing RSM UK Audit LLP.

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 21/11/2022.... and signed on its behalf by:

J Beirne
Jim Beirne 21 Nov 2022 15:42:00 GMT (UTC +0)
....
J P Beirne
Trustee

Independent Auditor's Report to the Members of Tyneside Cinema

Opinion

We have audited the financial statements of Tyneside Cinema (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2022 and of the group's 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent Auditor's Report to the Members of Tyneside Cinema

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 10), the trustees 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

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

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;

Tyneside Cinema

Independent Auditor's Report to the Members of Tyneside Cinema

- challenging assumptions and judgements made by management in their significant accounting estimates;
- Review of board meeting minutes.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements; Health and Safety; employment laws; and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the event and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to be recognise the non-compliance.

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

Use of our report
This report is made solely to the charitable parent company's trustees, 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 group's trustees those matters we are required to state to them in an auditor's 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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Brown
....
Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 22.11.2022

Azets Audit Services is a trading name of Azets Audit Services Limited.

Tyneside Cinema

Consolidated Statement of Financial Activities for the Year Ended 31 March 2022 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	1,756,373	312,831	2,069,204	1,155,385
Charitable activities	4	792,576	-	792,576	376,733
Other trading activities	5	647,859	-	647,859	5,503
Other income	6	399,345	-	399,345	742,219
Total Income		3,596,153	312,831	3,908,984	2,279,840
Expenditure on:					
Raising funds	7	(1,255,165)	-	(1,255,165)	(990,786)
Charitable activities	8	(1,516,911)	(718,448)	(2,235,359)	(1,984,485)
Total Expenditure		(2,772,076)	(718,448)	(3,490,524)	(2,975,271)
Net income/(expenditure)		824,077	(405,617)	418,460	(695,431)
Net movement in funds		824,077	(405,617)	418,460	(695,431)
Reconciliation of funds					
Total funds brought forward		(315,847)	2,547,482	2,231,635	2,927,066
Total funds carried forward	21	508,230	2,141,865	2,650,095	2,231,635

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 21.

Tyneside Cinema

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2021 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	812,361	343,024	1,155,385
Charitable activities	4	376,733	-	376,733
Other trading activities	5	5,503	-	5,503
Other income	6	742,219	-	742,219
Total income		1,936,816	343,024	2,279,840
Expenditure on:				
Raising funds	7	(990,786)	-	(990,786)
Charitable activities	8	(1,235,844)	(748,641)	(1,984,485)
Total expenditure		(2,226,630)	(748,641)	(2,975,271)
Net expenditure		(289,814)	(405,617)	(695,431)
Net movement in funds		(289,814)	(405,617)	(695,431)
Reconciliation of funds				
Total funds brought forward		(26,033)	2,953,099	2,927,066
Total funds carried forward	21	(315,847)	2,547,482	2,231,635

Tyneside Cinema

(Registration number: 01113101)
Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	13,385	47,713
Tangible assets	13	3,015,278	3,370,657
Investments	14	10,000	10,000
		3,038,663	3,428,370
Current assets			
Stocks	15	21,757	12,413
Debtors	16	344,905	259,839
Cash at bank and in hand		1,131,274	322,627
		1,497,936	594,879
Creditors: Amounts falling due within one year	17	(1,032,029)	(847,080)
Net current assets/(liabilities)		465,907	(252,201)
Total assets less current liabilities		3,504,570	3,176,169
Creditors: Amounts falling due after more than one year	18	(854,475)	(944,534)
Net assets		2,650,095	2,231,635
Funds of the group:			
Restricted income funds			
Restricted funds	21	2,141,865	2,547,482
Unrestricted income funds			
Unrestricted funds		508,230	(315,847)
Total funds	21	2,650,095	2,231,635

The financial statements on pages 14 to 38 were approved by the trustees, and authorised for issue on 21/11/2022.... and signed on their behalf by:

J Beirne

Jim Beirne 21 Nov 2022 15:42:00 GMT (UTC +0)

....

J P Beirne
Trustee

Tyneside Cinema

(Registration number: 01113101)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	13,385	47,713
Tangible assets	13	2,939,075	3,352,100
Investments	14	10,001	10,001
		2,962,461	3,409,814
Current assets			
Debtors	16	487,727	343,583
Cash at bank and in hand		986,121	302,439
		1,473,848	646,022
Creditors: Amounts falling due within one year	17	(798,072)	(711,844)
Net current assets/(liabilities)		675,776	(65,822)
Total assets less current liabilities		3,638,237	3,343,992
Creditors: Amounts falling due after more than one year	18	(771,142)	(838,284)
Net assets		2,867,095	2,505,708
Funds of the charity:			
Restricted income funds			
Restricted funds	21	2,141,865	2,547,482
Unrestricted income funds			
Unrestricted funds		725,230	(41,774)
Total funds	21	2,867,095	2,505,708

The financial statements on pages 14 to 38 were approved by the trustees, and authorised for issue on 21/11/2022.... and signed on their behalf by:

J Beirne
Jim Beirne 21 Nov 2022 15:42:00 GMT (UTC +0)
....
J P Beirne
Trustee

Tyneside Cinema

Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income/(expenditure)		418,460	(695,431)
Adjustments to cash flows from non-cash items			
Depreciation	7	486,127	500,678
Amortisation	7	18,762	17,194
		923,349	(177,559)
Working capital adjustments			
(Increase)/decrease in stocks	15	(9,344)	1,821
Increase in debtors	16	(85,066)	(123,161)
Increase/(decrease) in creditors	17	197,257	(193,838)
Decrease in provisions		-	(3,795)
Net cash flows from operating activities		1,026,196	(496,532)
Cash flows from investing activities			
Purchase of intangible fixed assets	12	(180)	(21,817)
Sale of intangible fixed assets		15,746	-
Purchase of tangible fixed assets	13	(139,958)	(5,070)
Sale of tangible fixed assets		9,210	-
Net cash flows from investing activities		(115,182)	(26,887)
Cash flows from financing activities			
Repayment of loans and borrowings	17	(102,367)	572,846
Net increase in cash and cash equivalents		808,647	49,427
Cash and cash equivalents at 1 April		322,627	273,200
Cash and cash equivalents at 31 March		1,131,274	322,627

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Newe House, 10 Pilgrim Street, Newcastle upon Tyne, NE1 6QG

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

These financial statements are prepared in sterling which is the functional currency of the entity.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2022.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a surplus after tax for the financial year of £361,387 (2021 - deficit of £413,310).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern, despite the net current liabilities and negative unrestricted funds. Budgets and cash flow forecasts have been prepared to November 2023 taking into consideration monies received from the Cultural Recovery Fund. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate overall resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

There are considered to be no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which effect the amounts recognised in the financial statements.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

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

Raising funds

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

Charitable activities

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

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

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

Government grants

Government grants are recognised on the performance model and are measured at the fair value of the asset received or receivable. Grants are recognised in income once the performance conditions of entitlement are met.

Taxation

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

Goodwill

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Intangible assets - Website
Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

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

Asset class	Amortisation method and rate
Website costs	3 - 5 years straight line

Tangible fixed assets
Individual fixed assets costing £100 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Asset class	Depreciation method and rate
Leasehold land and buildings	Over the term of the lease
Cinema technical equipment	10 - 33% straight line
Fixtures and fittings	20 - 33% straight line

Fixed asset investments
Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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

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

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

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

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

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

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Defined contribution plan
Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

Tyneside Cinema

Notes to the Financial Statements for the Year Ended 31 March 2022

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Grants received	1,733,880	312,831	2,046,711
General donations	22,493	-	22,493
	1,756,373	312,831	2,069,204

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Grants received	737,284	343,024	1,080,308
General donations	75,077	-	75,077
	812,361	343,024	1,155,385

4 Income from charitable activities

	Unrestricted funds General £	Total 2022 £
Cinema activities	595,174	595,174
Food and drink sales	90,087	90,087
Facilities hire	50,147	50,147
Advertising	21,642	21,642
Memberships	25,145	25,145
Commission	10,381	10,381
	792,576	792,576

	Unrestricted funds General £	Total 2021 £
Cinema activities	(6,727)	(6,727)
Food and drink sales	(195)	(195)
Facilities hire	262,106	262,106
Advertising	583	583
Memberships	112,441	112,441
Commission	7,807	7,807
Other	718	718
	376,733	376,733

5 Income from other trading activities

	Unrestricted funds General £	Total 2022 £
Other trading activites	647,859	647,859
	647,859	647,859

	Unrestricted funds General £	Total 2021 £
Other trading activities	5,503	5,503
	5,503	5,503

Other trading activities include sponsorship income of £Nil (2021: £288) and food and drink sales of £647,859 (2021: £5,215).

6 Other income

	Unrestricted funds General £	Total 2022 £
Insurance claim income	315,938	315,938
Coronavirus Job Retention Scheme	83,407	83,407
	399,345	399,345

	Unrestricted funds General £	Total 2021 £
Coronavirus Job Retention Scheme	742,219	742,219

Notes to the Financial Statements for the Year Ended 31 March 2022

7 Expenditure on raising funds

	Direct costs £	Allocated support costs £	Total 2022 £
Costs of generating donations and legacies	239,187	-	239,187
Costs of trading activities	528,080	-	528,080
Investment management costs	12,031	187,836	199,867
Other costs of generating funds	-	288,031	288,031
	779,298	475,867	1,255,165

	Direct costs £	Allocated support costs £	Total 2021 £
Costs of generating donations and legacies	12,326	-	12,326
Costs of trading activities	562,928	-	562,928
Investment management costs	10,012	174,837	184,849
Other costs of generating funds	-	230,683	230,683
	585,266	405,520	990,786

8 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Staff costs	596,243	374,067	970,310
Premises costs	9,410	221,876	231,286
Other costs	471,105	111,301	582,406
Depreciation and amortisation	304,424	-	304,424
Operating lease charges	59,643	-	59,643
Audit fees	10,000	-	10,000
Governance costs	66,086	11,204	77,290
	1,516,911	718,448	2,235,359

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Staff costs	672,490	400,971	1,073,461
Premises costs	2,981	140,085	143,066
Other costs	130,906	77,914	208,820
Depreciation and amortisation	333,022	-	333,022
Operating lease charges	58,699	-	58,699
Audit fees	9,250	-	9,250
Governance costs	28,496	129,671	158,167
	1,235,844	748,641	1,984,485

9 Trustees remuneration and expenses

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

10 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	1,346,831	1,395,127
Social security costs	94,217	100,241
Pension costs	22,103	24,217
	1,463,151	1,519,585

The monthly average number of persons (including senior management / leadership team) employed by the group during the year was as follows:

	2022 No	2021 No
Charitable activities and raising funds	69	89
Management and administration	8	6
	77	95

The number of employees whose emoluments fell within the following bands was:

	2022 No	2021 No
£60,001 - £70,000	-	2
£80,001 - £90,000	1	-

The total employee benefits of the key management personnel of the group were £137,484 (2021 - £125,369).

11 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

12 Intangible fixed assets

Group

	Goodwill £	Website £	Total £
Cost			
At 1 April 2021	21,750	85,162	106,912
Additions	-	180	180
Disposals	(21,750)	(29,486)	(51,236)
At 31 March 2022	-	55,856	55,856
Amortisation			
At 1 April 2021	21,750	37,449	59,199
Charge for the year	-	18,762	18,762
Eliminated on disposals	(21,750)	(13,740)	(35,490)
At 31 March 2022	-	42,471	42,471
Net book value			
At 31 March 2022	-	13,385	13,385
At 31 March 2021	-	47,713	47,713

Charity

	Website £	Total £
Cost		
At 1 April 2021	85,162	85,162
Additions	180	180
Disposals	(29,486)	(29,486)
At 31 March 2022	55,856	55,856
Amortisation		
At 1 April 2021	37,449	37,449
Charge for the year	18,762	18,762
Eliminated on disposals	(13,740)	(13,740)
At 31 March 2022	42,471	42,471
Net book value		
At 31 March 2022	13,385	13,385
At 31 March 2021	47,713	47,713

13 Tangible fixed assets

Group

	Leasehold land and buildings £	Fixtures and fittings £	Cinema technical equipment £	Total £
Cost				
At 1 April 2021	8,063,786	240,155	1,424,734	9,728,675
Additions	-	110,046	29,912	139,958
Disposals	-	(30,938)	(854,858)	(885,796)
Transfers	459,726	1,800	(461,526)	-
At 31 March 2022	8,523,512	321,063	138,262	8,982,837
Depreciation				
At 1 April 2021	5,036,808	237,924	1,083,286	6,358,018
Charge for the year	435,043	36,463	14,621	486,127
Eliminated on disposals	-	(25,597)	(850,989)	(876,586)
Transfers	263,130	(106,996)	(156,134)	-
At 31 March 2022	5,734,981	141,794	90,784	5,967,559
Net book value				
At 31 March 2022	2,788,531	179,269	47,478	3,015,278
At 31 March 2021	3,026,978	2,231	341,448	3,370,657

Charity

	Leasehold land and buildings £	Fixtures and fittings £	Cinema technical equipment £	Total £
Cost				
At 1 April 2021	8,063,786	226,670	1,378,106	9,668,562
Additions	-	35,893	29,912	65,805
Disposals	-	(10,037)	(854,858)	(864,895)
Transfers	459,726	(44,830)	(414,896)	-
At 31 March 2022	8,523,512	207,696	138,264	8,869,472
Depreciation				
At 1 April 2021	5,036,809	224,127	1,055,526	6,316,462
Charge for the year	435,043	24,410	14,621	474,074
Eliminated on disposals	-	(9,150)	(850,989)	(860,139)
Transfers	263,130	(134,756)	(128,374)	-
At 31 March 2022	5,734,982	104,631	90,784	5,930,397
Net book value				
At 31 March 2022	2,788,530	103,065	47,480	2,939,075
At 31 March 2021	3,026,977	2,543	322,580	3,352,100

14 Fixed asset investments

Group

	Art exhibition £	Total £
Cost or Valuation		
At 1 April 2021	10,000	10,000
At 31 March 2022	10,000	10,000
Net book value		
At 31 March 2022	10,000	10,000
At 31 March 2021	10,000	10,000

Charity

	2022 £	2021 £
Shares in group undertakings and participating interests	1	1
Art exhibition	10,000	10,000
	10,001	10,001

The company owns the entire £1 share capital of Tyneside Cinema Trading Co. Ltd (company number 08804734), which is incorporated in the United Kingdom.

The Art Exhibition is a piece of visual art called the Mariner 9. Commissioned Mariner 9 from the artist Kelly Richardson.

Subsidiaries

The profit for the financial period of Tyneside Cinema Trading Co. Ltd was £59,380 (2021 - Loss £280,756) and the aggregate amount of capital and reserves at the end of the period were in deficit by £216,997 (2021 - Deficit £276,377).

Summary Statement of Comprehensive Income	2022	2021
	£	£
Turnover	691,674	8,964
COS	(197,372)	(631)
Administrative expense	(705,138)	(703,692)
Other operating income	270,216	409,668
Taxation	-	4,935
Net (loss)/profit	59,380	(280,756)

The assets and liabilties of the subsidairy were:	2022	2021
	£	£
Fixed assets	76,203	18,556
Current assets	219,946	54,515
Creditors: amounts falling due within one year	(427,284)	(240,669)
Creditors: amounts falling due after more than one year	(83,333)	(106,250)
Deferred tax	(2,529)	(2,529)
Total net assets	(216,997)	(276,377)

15 Stock

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Stocks	21,757	12,413	-	-

16 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	114,565	19,171	85,635	14,964
Due from group undertakings	-	-	193,329	105,658
Prepayments	43,460	52,622	29,710	38,486
Accrued income	173,722	184,300	173,722	184,300
Other debtors	13,158	3,746	5,331	175
	344,905	259,839	487,727	343,583

Trade debtors include bad debt provision of £3,472 (2021: £10,703).

Amounts due from group undertakings are due on demand.

17 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	162,968	175,276	137,968	156,526
Trade creditors	357,065	220,769	328,388	209,938
Other taxation and social security	27,724	13,505	19,209	10,157
VAT grant repayable	93,997	62,983	8,319	8,227
Other creditors	37,769	14,769	37,769	14,545
Accruals & deferred income	352,506	359,778	266,419	312,451
	1,032,029	847,080	798,072	711,844

Deferred income

Group

	2022 £	2021 £
Deferred income at 1 April 2021	203,770	234,249
Resources deferred in the period	146,943	188,770
Amounts released from previous periods	(203,770)	(219,249)
Deferred income at year end	146,943	203,770

Charity

	2022 £	2021 £
Deferred income at 1 April 2021	189,431	234,249
Resources deferred in the period	109,996	174,431
Amounts released from previous periods	(189,431)	(219,249)
Deferred income at year end	109,996	189,431

18 Creditors: amounts falling due after one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Bank loans	396,666	550,417	313,333	444,167
Other loans	457,809	394,117	457,809	394,117
	854,475	944,534	771,142	838,284

Various loans are held with HSBC and Newcastle City Council. Two loans with HSBC were due for repayment in May 2021 and August 2021 with interest rates of 3.8% and 4.3% respectively. At the end of March 2021 these loans were repaid and a new loan for £67k was agreed at an interest rate of 3.8% over base rate and due for repayment March 2023.

Two further loans with HSBC under the Coronavirus Business Interruption Loan Scheme were taken out in July 2020 totalling £595,000. Repayment of these loans is over 5 years starting August 2021. Interest rates are 3.99% over the Bank of England base rate.

The loans with Newcastle City Council are due for repayment April 2027 with interest rates of 4.87% and 3.43% respectively over the Bank of England base rate. The loans are secured on the leasehold property.

HSBC have the following securities held:
Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 07 October 2020.

19 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2022	2021
	£	£
Other		
Within one year	153,095	144,126
Between one and five years	429,727	449,937
After five years	300,510	358,323
	883,332	952,386

20 Commitments

Grants receivable from the European Regional Development Fund, Arts Council England, BFI and Heritage Lottery Fund are repayable if the charity fails to keep to the terms of the agreement with the grant funders, undergoes a significant change in status, ceases to operate or is declared insolvent within the period to 2028 for the European Regional Development Fund and.2031 for the Heritage Lottery Fund. The restricted funds relating to these grants are shown in note 21. Annual depreciation regarding the property, is being charged annually against the restricted funds.

The agreement with Heritage Lottery Fund is secured by legal charges over the leasehold property at 10 Pilgrim Street, Newcastle upon Tyne.

Notes to the Financial Statements for the Year Ended 31 March 2022

21 Funds

Group

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Unrestricted funds					
General					
General funds	(470,747)	3,596,153	(2,772,076)	(759,041)	(405,711)
Designated funds	154,900	-	-	759,041	913,941
	(315,847)	3,596,153	(2,772,076)	-	508,230
Restricted funds					
Capital development	2,547,482	-	(405,617)	-	2,141,865
Arts Council	-	66,457	(66,457)	-	-
Project grants	-	246,374	(246,374)	-	-
Total restricted funds	2,547,482	312,831	(718,448)	-	2,141,865
Total funds	2,231,635	3,908,984	(3,490,524)	-	2,650,095

Charity

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Unrestricted funds					
General					
General funds	(196,674)	2,634,263	(1,867,259)	(759,041)	(188,711)
Designated funds	154,900	-	-	759,041	913,941
	(41,774)	2,634,263	(1,867,259)	-	725,230
Restricted funds					
Capital development	2,547,482	-	(405,617)	-	2,141,865
Arts Council	-	66,457	(66,457)	-	-
Project grants	-	246,374	(246,374)	-	-
Total restricted funds	2,547,482	312,831	(718,448)	-	2,141,865
Total funds	2,505,708	2,947,094	(2,585,707)	-	2,867,095

The specific purposes for which the funds are to be applied are as follows:

General reserves - the general reserves represent .the free funds of the charity which are not designated for any particular purpose.

Restricted funds:
Arts Council - revenue funding to support the digital and creative media arts programme at the Tyneside Cinema.
Capital Development fund - for the refurbishment and modernisation of Tyneside Cinema.

A grant was received from Art Council England's Cultural Recovery Fund. A condition of this grant was that part of this fund was to be used to reflate the charity's reserves and therefore the trustees agreed that a designated fund of £913,941 would be created for this purpose.

22 Analysis of net assets between funds

Group

	Unrestricted			
	General £	**Designated £**	**Restricted £**	**Total funds £**
Intangible fixed assets	13,385	-	-	13,385
Tangible fixed assets	873,413	-	2,141,865	3,015,278
Fixed asset investments	10,000	-	-	10,000
Net current assets/(liabilities)	(448,034)	913,941	-	465,907
Creditors over 1 year	(854,475)	-	-	(854,475)
Total net assets	(405,711)	913,941	2,141,865	2,650,095

	Unrestricted			
	General £	**Designated £**	**Restricted £**	**Total funds at 31 March 2021 £**
Intangible fixed assets	47,713	-	-	47,713
Tangible fixed assets	823,175	-	2,547,482	3,370,657
Fixed asset investments	10,000	-	-	10,000
Net current assets/(liabilities)	(407,101)	154,900	-	(252,201)
Creditors over 1 year	(944,534)	-	-	(944,534)
Total net assets	(470,747)	154,900	2,547,482	2,231,635

23 Analysis of net funds

Group

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	302,627	828,647	1,131,274
Debt due within one year	(175,278)	12,310	(162,968)
Debt due after more than one year	(944,534)	90,059	(854,475)
Net funds/(debt)	(817,185)	931,016	113,831

Charity

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	322,439	663,682	986,121
Debt due within one year	(156,526)	18,558	(137,968)
Debt due after more than one year	(838,284)	67,142	(771,142)
Net funds/(debt)	(672,371)	749,382	77,011

24 Related party transactions

The charity has taken the exemption contained within FRS 102 for disclosing transactions with its wholly owned subsidiary as consolidated financial statements are prepared.

J Wade, one of the charity’s trustees, was employed by Muckle LLP, the charity's solicitor, during the current financial year. The charity paid Muckle LLP £1,963 (2021: £59,122) during the year for the provision of legal services, all of which were charged at normal commercial rates.

M Such, one of the charity's trustees, is Chief Executive Officer of Curtis Gabriel, a digital marketing agency. Curtis Gabriel charged the charity £1,800 (2021: £10,000) during the year for marketing and communications advice, all of which was charged at normal commercial rates.

Accounts

Charity Registration No. 502592

Company Registration No. 01113101 (England and Wales)

TYNESIDE CINEMA

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

TYNESIDE CINEMA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L Armstrong (resigned 31st October 2020) S Kyffin (resigned 31st October 2020) N Shottel (resigned 9th December 2020) E McIntyre (resigned 13th July 2020) C Binns M Such R Carmichael S Bratch J Wade J Shepstone (appointed 20th January 2021) J Beirne (appointed 1st September 2021)
Charity number	502592
Company number	01113101
Registered office	Newe House 10 Pilgrim Street Newcastle upon Tyne NE1 6QG
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne NE1 4AD
Bankers	HSBC Bank plc 110 Grey Street Newcastle upon Tyne NE1 6JG
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF
Key management personnel	
Chief executive officer	H Keeble (resigned 24th September 2020) S Drysdale (appointed 18th November 2020)
Head of finance and administration	N Morgan (appointed 12th October 2020)

TYNESIDE CINEMA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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)" (effective 1 January 2019).

Objectives and activities

Tyneside Cinema is a cultural venue and social hub that aims to enrich people's lives through film. As the only full-time independent cinema in the North East, we play a vital part in Newcastle's creative economy, currently employing around 75 people across the charity and trading company with all profits reinvested in support of our charitable objectives.

Our vision is to be the most welcoming, most exciting, most relevant and most successful independent creative cinema in the UK. Our mission is for people to be inspired, entertained and transformed by watching and making film. We value all aspects of film and its potential to connect, celebrate, educate, entertain, and make sense of our lives and the experiences of others.

Our heritage is evident in our 1930's Art Deco building, housing the last surviving newsreel theatre still showing films. Our more recent history as a ground-breaking independent cinema started in 1968 when the British Film Institute funded the reopening of the venue as the Tyneside Film Theatre, and continued through the 70's, 80's and 90's with a succession of inspiring and highly respected Directors and Programmers. Between 2008 and 2015 the scale and profile of the cinema was developed through the addition of new screens, and substantial retail catering, creating the opportunity for a more versatile programme and more guests.

Three aims underpin how we plan to deliver on our vision:

1. **Maintain and develop our broad range of innovative, distinctive and high-quality activities**

Tyneside Cinema is committed to achieving excellence, and this begins with our cultural programme spanning Film Programme, Artists' Moving Image, Learning and Participation in film making. We place a strong focus on achieving the highest quality in our curated film programmes through the new work we produce and the learning and participation opportunities we create. We identify opportunities throughout the year for these strands to come together to create rich points of cross-over, thematically and artistically.

2. **Maximise our resources and effectiveness, and strengthen our resilience and sustainability**

To deliver financial resilience into the future we will continue to strengthen our earned income streams and increase the net profit of trading activities. Other areas of Tyneside Cinema make a significant contribution to turnover and profitability through hires, events and sales of cinema concessions. We will continue to grow our profitability to re-invest in our programme and marketing, to ensure the future of our historic building and reach our targets for reserves.

3. **Grow and diversify our audiences and users, and enhance our value to the local area**

We will build on and expand our cultural and social role by continuing to use our building in the most versatile way and by making what we do accessible to as many people as possible. We will make sure we are known and used by the broadest possible range of people. Our brand will be synonymous with film and a warm welcome for everyone.

Programme Areas

In the financial year 2020/2021 the Cinema remained closed due to the Covid pandemic. We were unable to open in the periods between lockdowns due to a flood that caused widespread damage. We were also rebuilding the staff team following a programme of redundancy and in the light of an independent report published in October 2020 on governance and management failings in the organisation. As a result, the only cultural activity delivered was the New Creatives project through the Learning team. A brief outline of the programme of work we would aim to deliver when operating properly is given below and forms the basis of how we are operating now we are again open and at the time of writing this report.

Film Programme
Our film programming from the UK and around the world aims to be engaging, enriching and diverse, encompassing new releases, classics, curated major seasons and live events. It combines independent and mainstream film of wide-ranging genres, recognising that our strength lies in providing breadth and access for all.

We continue to expand the numbers of non-first-run films to bolster our cultural and financial resilience and contextualise our programmes wherever possible through Q&As and discussions, involving industry professionals and community partners. We are open in our approach and welcome opportunities for collaborative programming, whether that be with guest curators, academic partners or our audiences.

Artist Film
Our primary focus is to commission and produce new work, primarily for cinema audiences. Artists' moving image and performance work is a regular feature of the in-cinema programme. Additionally, we create opportunities for developing artists' practice, playing to our strengths in production and exhibition, and increasing our profile and reputation, locally, nationally and internationally.

Learning and Participation & Talent Development
Learning about, and participation in, film making is fundamental to what we do. Our in-house team of practising film makers and artists has created a range of workshops for young people between the ages of 8 and 24 that complements work done in the classroom. From modern foreign language workshops and study days to curriculum film-making workshops, our sessions and facilities build skills and confidence for the future.

Our learning and participation programme falls into two areas: the activities we deliver for schools and colleges and the programmes we deliver for the public, from short film schools in the holidays, to industry-focused, in-depth academies. This ladder of opportunity is designed to develop confidence, creativity and skills. Young people leave our programmes with a deeper understanding of, and appreciation for, independent film culture, and some go on to pursue a career in the industry.

Film Heritage
Our Film Heritage programme includes screening of repertory film classics, retrospectives, archive films and daily archive newsreels, the interpretation of our historic cinema by exhibition of historic objects and physical information in the venue, and free guided tours hosted by a team of dedicated, knowledgeable volunteer guides.

STRATEGIC REPORT

Achievements and Performance
The charitable company's policies in the pursuit of its objectives are kept under regular review. The board of trustees considers the activities of the company during the year to be satisfactory. The funds and resources are used entirely for its main objective. The movements in funds are described in the Statement of Financial Activities on page 11.

As mentioned above, the Cinema closed in March 2020 due to the Covid-19 lockdown and was unable to reopen until August 2021. Consequently, there was minimal trading income in the financial year 2020/2021 and the only output of the organisation was in delivering the New Creatives project.

New Creatives
New Creatives is a talent development initiative funded by Arts Council England and the BBC, shaped to support the creative and professional development of artists aged 16 to 30 from across the North of England and to help widen access to the creative industries.

Between April 2020 and March 2021, we supported 60 artists to develop and produce new work in film, audio or interactive with the support of mentors working online. 99% of artists said New Creatives gave them learning that will help them beyond the programme. 97% of artists said the work they made for New Creatives was different from their previous work. 67% said it was more ambitious and 59% made it for different platforms. 66% said New Creatives encouraged them to be more innovative.

The work is distributed by the BBC and independently by the artists, reaching an estimated audience of over 500k. The interactive production 'To Miss the Ending' was invited to screen at a number of prestigious international festivals, including Sundance Film Festival, DOK Leipzig, BFI London Film Festival.

Achievements: an account of how have addressed the challenges of; Covid19; premises issues; rebuilding a business in response to the failings of the past

The year 2020/2021 was a year of enormous challenge to all cultural institutions. Enforced closure due to Covid19 meant the group was unable to generate trading income and the future of Tyneside Cinema was in the balance. In addition to the issues faced by other organisations we needed to put right the governance, management and organisational culture failings detailed in an independent review of the charity.

As a response to lockdown, the loss of income and the uncertainty of what lay ahead, staff numbers were reduced by half through a redundancy programme. This left a skeletal staff structure that would be able to reopen the cinema and could be built upon as funds and income became available.

The cinema reopened in August 2021. During the sixteen months of closure the organisation was able to review and reset its operating model with the aims of delivering cultural and community benefit underpinned by a resilient commercial plan that will support the long-term future of the cinema. The length of closure was due to a combination of factors including pandemic lockdowns, working to deliver the recommendations of the independent review and a flood that rendered the premises unusable for several months.

An interim CEO was appointed in November 2020 to reshape the organisation, develop new working practices and organisational culture, and plan for a sustainable future. As part of this work a new management structure was created to support the proper functioning of the cinema. New roles at senior leadership level include Head of Finance, Head of Trading, Head of Operations and People Manager, while other functions and responsibilities were rearranged to create roles of Head of Film and Head of Learning. Further developments in staff structure were made across the organisation. The new structure means there is a clear focus in the organisation on people, film, commercial ability and operational expertise.

Work was carried out with stakeholders including British Film Institute, Arts Council England, National Heritage Lottery Fund and BBC to ensure the cinema resolved issues that had previously affected funding agreements. This work was collaborative and transparent and the cinema is grateful for the guidance and support received during this period. All funding agreements have since been reinstated with, in some cases, additional reporting requirements.

Progress in implementing the recommendations of the independent review was, and continues to be, communicated to the public via regular updates on the cinema website and written reports to stakeholders.

A major programme of training and reintroduction was created for returning and new staff and delivered in 2021 before opening. Central to this work was a focus on organisational culture, values and behaviours. This has been supported by a comprehensive review of policies and procedures, also begun in the financial year ending 31 March 2021 and expanded on throughout the year. Our new people strategy has already resulted in positive change including: accreditation as a real living wage employer; improved pay for more than half of our staff team; no zero-hours contracts and enhanced benefits such as 50% off food in our café.

The cinema has been the beneficiary of various government awards of financial support, in particular through the Culture Recovery Fund and the Coronavirus Job Retention Scheme. In addition to making up for no earned income, these awards have reflated reserves and supported essential work around building maintenance and staff development, putting the organisation in a good position for recovery now Covid19 restrictions have been lifted.

A recruitment campaign to attract new trustees generated over forty high-quality applications and this summer resulted in the appointment of an experienced new chair of the board. Further trustees will be recruited in the next few months to bolster the skills and performance of the board.

Financial review

The COVID-19 pandemic has had a significant impact on the charity's financial position. The cinema and associated food and drink venues were closed for the entire financial year, resulting in a significant decline in core income. The majority of the charity's income in the current financial year related to various COVID grants. Although the charity took proactive action to reduce its cost base, the consolidated balance sheet on page 12 shows a reduction in unrestricted income funds of £293,385. At the year end, total funds of the group amount to £2,228,064 however the majority is not freely available because the balance is invested in fixed assets or has a restriction for other purposes.

The closure of our venue has impacted the dynamics of our income split which is now 17% earned and 83% public subsidy for the year 2020/2021 (2019/2020 82% and 18% respectively).

The charity obtained loans under the Coronavirus Business Interruption Loan Scheme totalling £595,000, which enabled it to end the financial year with cash balances of £322,627.

The wholly owned subsidiary Tyneside Cinema Trading Co. Ltd. was unable to trade for the financial year, resulting in a loss of £285,691 (2020 profit of £14,268).

Pricing policy

Although our venues were closed for the entire financial year, our pricing policy remains unchanged and reflects our aim of engaging more, and more diverse, people in our programme. We run heritage tours and newsreel screenings which are free, alongside our gallery offering an opportunity for the public to view at no charge.

Concessions are provided for those receiving income support, people in full-time education, young people aged 16 and under, senior citizens, disabled people, and Active Newcastle Card holders. Other offers include family tickets and Young Tyneside cards.

Reserves policy

The funds of the group as at 31st March 2021 were £2,231,635, of which £2,547,482 were restricted, with a consequent deficit on unrestricted funds of £315,847. Unrestricted funds includes designated funds of £154,900 and fixed assets of £823,175. Consequently free unrestricted funds are in deficit by £1,293,922.

The trustees regularly review the reserve levels to ensure that they are appropriate. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have agreed a policy that the charity should aim to hold a level of unrestricted reserves (namely those not held for a specific purpose) of £275,000. The trustees believe that this level of reserves is the minimum necessary to ensure the financial sustainability of the charity, given the uncertainty in both amount and timing of much of our income. In addition, the charity recognises that holding £100,000 in cash would be appropriate to ensure the secure financial running of the business during the quieter first half of the financial year.

Subsequent to the year end, the cinema was successful in further applications for emergency grant funding from the Arts Council of England's Cultural Recovery Fund and this, together with various other COVID-related grant awards, means that the cinema's reserve position has been substantially strengthened and as at the date of signing of this report, unrestricted reserves are positive.

Given the disruption caused by the COVID pandemic, the trustees are satisfied with the charity's progress in building its reserves.

Investment policy and powers

Under the memorandum and articles of association, the charity has the power to invest in any way the trustees wish.

Fundraising

All fundraising is carried out with the full oversight of the Trustees. Tyneside Cinema strives to provide an excellent service to all of our supporters and any complaints are dealt with by our service team.

Tyneside Cinema prides itself on a high standard and we continually review how we contact the public to ask for support. This ensures we follow regulations, meet our own high standard, and exceed the public expectation.

We take responsibility towards supporters who may be considered vulnerable very seriously. Our fundraising and customer service teams are trained to respond sensitively and appropriately to any individual they may consider to be vulnerable.

There was no third-party fundraising and no complaints in the year.

Going concern
After making appropriate enquiries, the governing body has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing its financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Plans for the future
The cinema is open again and audiences and guests have returned. Attendances are lower than pre-pandemic figures but in line with other UK cinemas. Our plan for the future is to build our audiences, business skills and our resilience. We have a highly competent management team and a dedicated, confident staff. On this basis we are building our business to ensure we achieve maximum revenue, margins and cultural value for our beneficiaries.

We will continue to develop the role and contribution of our board of trustees, linking them more closely with our senior leadership team to develop strategy and plans. We will continue to embed the recommendations of the independent review into our everyday practice, and we aim to be recognised as an exemplary employer.

Tyneside Cinema is a unique organisation that is vital to the cultural landscape of Newcastle and the North East. Through film, learning and hospitality we will continue to serve our audiences and guests as a world-class independent cinema.

Structure, governance and management
The charity is a company limited by guarantee (incorporated 10 May 1973) and as such is governed by its memorandum and articles of association, last amended by special resolution dated 30 July 2014. It is registered as a charity with the Charity Commission.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

L Armstrong	(Resigned 31st October 2020)
S Kyffin	(Resigned 31st October 2020)
N Shottel	(Resigned 9th December 2020)
E McIntyre	(Resigned 13th July 2020)
C Binns	
M Such	
R Carmichael	
S Bratch	(Appointed 29 January 2020)
J Wade	(Appointed 29 January 2020)
J Shepstone	(Appointed 20 January 2021)

Members' liability
Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Method of recruitment and appointment or election of trustees
The directors of the company are also trustees of the charity. They are unpaid and give their time freely and generously, bringing to bear significant skills to support the staff.

Term of office: trustees serve a maximum of two consecutive terms of three years each and the board meet four times per year.

Recruitment of trustees: the board has a fixed tenure for membership to ensure that the board is refreshed. It recruits new members through open advertising in its printed and online publicity. Applicants are shortlisted and are interviewed by the chair and vice chair of the board.

Policies and procedures adopted for the induction and training of trustees
New trustees are inducted by the chair of the board and the chief executive. They are given a tour of the cinema, a written induction pack which includes the charity's business plan and governing documents, and a copy of the staff handbook which details all of the charity's operational policies. All trustees attend a formal session which discusses in detail the role and responsibilities of trustees.

Organisational structure
A chief executive is appointed by the board to manage the day-to-day operations of the charity. The full board meets four times per year. Detailed written board reports and an agenda are prepared by the senior managers of the charity and circulated in advance of meetings. Board meetings are attended by the chief executive and senior leadership team.

Board decisions are made by simple majority vote.

The board also welcomes observers from its major stakeholders, Newcastle City Council, British Film Institute and Arts Council England.

Outside of these meetings, all trustees are invited to attend informal 'contact group' meetings with the heads of department on a voluntary basis. These meetings enable managers and trustees to stay in touch and build trustees understanding of the charity by allowing discussion and reflection in depth on particular aspects of the charity's work.

There is a standing group for Audit, Risk and Finance which consists of four trustees and meets every two months. Other sub-groups are formed to assist on specific and time-limited projects.

Tyneside Cinema is part of the Newcastle Gateshead Cultural Venues (NGCV) group. NGCV is a voluntary partnership of 10 organisations running 20 venues, archives and heritage sites in Tyne & Wear. There are quarterly meetings of functional areas, all organisations work together to share learning and information in order to maximise sustainability, as well as maximising social, cultural and economic impact.

Arrangements for setting pay and remuneration of key management personnel
Arrangements for setting pay and remuneration of key management personnel is consistent with all staff at the charity.

All trustees give their time freely; none of the trustees receive remuneration or any other type of benefit from their work with the charity. Details of related party transactions are disclosed in note 31.

Trading company
A wholly owned subsidiary trading company operates the Tyneside Bar and Café, Vicolo and Coffee Rooms situated on the ground and first floors of the cinema building. The building lease and some assets of the trading company are owned by the charity. The company shares the mission of the charity. Its aim is to provide a significant contributed income stream to support the charitable activities.

Related parties and other connected charities and organisations
The charity has a longstanding relationship with its key stakeholder Newcastle City Council. Newcastle City Council regards the cinema as one of the city's key cultural assets.

The charity has continued to fulfil its remit as a revenue funded client of Arts Council England as part of its 'National Portfolio'.

The charity owns the entire share capital of the trading subsidiary Tyneside Cinema Trading Co. Ltd. as described previously. The trading company has a licence to operate in the spaces it occupies which are leased to the cinema on a long term lease by the head landlords. Some of the assets utilised by the trading company are also all owned by the cinema, and a fair charge, based on floor space occupied, made for their use. All surpluses generated by the trading company will be gift aided to the Tyneside Cinema in furtherance of its charitable aims.

The charity works in partnership with charities, colleges, schools and other regional organisations to enhance the delivery and reach of its objectives.

J Wade, one of the charity's trustees, was employed by Muckle LLP, the charity's solicitor, during the current financial year. The charity paid Muckle LLP £59,122 during the year for the provision of legal services, all of which were charged at normal commercial rates.

M Such, one of the charity's trustees, is Chief Executive Officer of Curtis Gabriel, a digital marketing agency. Curtis Gabriel charged the charity £10,000 during the year for marketing and communications advice, all of which was charged at normal commercial rates.

Auditor
RSM UK Audit LLP has indicated its willingness to continue in office.

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

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J Beirne
Trustee

Dated: 24th November 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Tyneside Cinema 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; 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TYNESIDE CINEMA

Opinion on financial statements

We have audited the financial statements of Tyneside Cinema (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 March 2021 and of the group's 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 and the Charities Act 2011.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent 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 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.

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, which includes the Directors' Report and the Strategic 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 and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 8, 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 group's and parent 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 group or parent 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to food safety and health and safety. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing income transactions around the year end to consider if it is recorded in the correct period.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

L Robson

Lucy Robson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

02/12/21

TYNESIDE CINEMA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Donations and legacies	3	812,361	343,024	1,155,385	872,984
Charitable activities	4	376,733	-	376,733	2,046,721
Other trading activities	5	5,503	-	5,503	1,996,932
Investments	6	-	-	-	83
Coronavirus Job Retention Scheme	7	742,219		742,219	
Total income		**1,936,816**	**343,024**	**2,279,840**	**4,916,720**
<u>Expenditure on:</u>					
Raising funds	8	994,357	-	994,357	1,685,318
Charitable activities	9	1,235,844	748,641	1,984,485	3,622,450
Total charitable expenditure		**2,230,201**	**748,641**	**2,978,842**	**5,307,768**
Taxation	11	(3,571)	-	(3,571)	2,561
Total resources expended		**2,226,630**	**748,641**	**2,975,271**	**5,310,329**
Net (Outgoing) resources before transfers		**(289,814)**	**(405,617)**	**(695,431)**	**(393,609)**
Transfer between funds		-	-	-	-
Net movement in funds		**(289,814)**	**(405,617)**	**(695,431)**	**(393,609)**
Total funds brought forward		(26,033)	2,953,099	2,927,066	3,320,675
Total funds carried forward		**(315,847)**	**2,547,482**	**2,231,635**	**2,927,066**

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

All income and expenditure derive from continuing activities.

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

Company Registration No. 01113101
Charity No. 502592

TYNESIDE CINEMA
CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	13		47,713		43,090
Tangible assets	14		3,370,657		3,866,264
Investments	15		10,000		10,000
			3,428,370		3,919,354
Current assets					
Stocks	16	12,413		14,234	
Debtors	17	259,839		136,678	
Cash at bank and in hand		322,627		273,200	
		594,879		424,112	
Creditors: amounts falling due within one year	18	(846,856)		(930,900)	
Net current liabilities			(251,977)		(506,788)
Total assets less current liabilities			3,176,393		3,412,566
Creditors: amounts falling due after more than one year	19		(944,534)		(485,276)
Provisions for liabilities			(224)		(224)
Net assets			2,231,635		2,927,066
Income funds					
Restricted funds	24		2,547,482		2,953,099
Unrestricted funds			(315,847)		(26,033)
			2,231,635		2,927,066

The financial statements were approved by the Trustees on 24th November 2021

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J Beirne
Chair

Company Registration No. 01113101
Charity No. 502592

TYNESIDE CINEMA
BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	13		47,713		43,090
Tangible assets	14		3,352,100		3,837,696
Investments	15		10,001		10,001
			3,409,814		3,890,787
Current assets					
Stocks	16	0		4,676	
Debtors	17	343,583		87,202	
Cash at bank and in hand		302,439		194,409	
		646,022		286,287	
Creditors: amounts falling due within one year	18	(711,844)		(772,780)	
Net current liabilities			(65,822)		(486,493)
Total assets less current liabilities			3,343,992		3,404,294
Creditors: amounts falling due after more than one year	19		(838,284)		(485,276)
Net assets			2,505,708		2,919,018
Income funds					
Restricted funds	24		2,547,482		2,953,099
Unrestricted funds			(41,774)		(34,081)
			2,505,708		2,919,018

As permitted by section 408 of the Companies Act 2006, the statement of financial activities of the parent company is not presented as part of these accounts. The parent company's total income resources for the financial year amounted to £1,921,207 (2020: £3,280,012) and the net movement in funds for the financial year amounted to a deficit of £413,310 (2020: £333,159).

The financial statements were approved by the Trustees on 24th November 2021

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J Beirne
Trustee

TYNESIDE CINEMA

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash (absorbed by)/generated from	25		(496,532)		139,504
Investing activities					
Purchase of intangible assets		(21,817)		(34,260)	
Purchase of tangible fixed assets		(5,070)		(16,329)	
Interest received		-		83	
Net cash used in investing activities			(26,887)		(50,506)
Financing activities					
Repayment of borrowings		(89,154)		(145,560)	
Proceeds of new bank loans		662,000			
Net cash generated from/(used in) financing activities			572,846		(145,560)
Net increase/(decrease) in cash and cash equivalents			49,427		(56,562)
Cash and cash equivalents at beginning of year			273,200		329,762
Cash and cash equivalents at end of year			322,627		273,200

1 Accounting policies

Charity information

Tyneside Cinema is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Newe House, 10 Pilgrim Street, Newcastle upon Tyne, NE1 6QG.

Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit of loss or the group. The charity has therefore taken the exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flows and related notes and disclosures.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern, despite the net current liabilities and negative unrestricted funds. Budgets and cash flow forecasts have been prepared to November 2022 taking into consideration monies received from the Cultural Recovery Fund. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate overall resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, Tyneside Cinema Trading Co. Ltd. (formerly TC Bar Cafe Co. Ltd.), a company incorporated in England and Wales, on a line by line basis. All financial statements are made up to 31 March 2021, and consistent accounting policies are used.

A separate Statement of Financial Activities for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Charitable funds

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the charity at the discretion of the trustees.

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

Incoming resources

All incoming resources are recognised when the charity has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

1 Accounting policies (Continued)

Grant income is receivable from various funders. This is recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability. Grant income includes income from the government's Coronavirus job retention scheme.

Income from charitable activities also includes cinema tickets purchased and income from the hire of facilities, and the income is recognised in the period in which it is receivable.

Income received from the charitable company's sole subsidiary is included within other trading activities income, and is included in the period in which the income is receivable.

Donations
Donations are received by way of grants, donations, and gifts and are recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability.

Other income
Income from charitable activities also includes the letting of non-investment property to the trading subsidiary, in furtherance from the charity's objects. Rental income is included in the financial statements in the period in which it is receivable.

Interest receivable
Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended
Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. In prior years all support costs were allocated against Charitable activities. However the presentation in note 10 better represents the true allocation of support costs within the charity. Support costs are now allocated between Raising Funds and Charitable Activities.

Expenditure on raising funds
This includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities
These are costs incurred by the charity in the delivery of its activities and services for its beneficiaries, and include both the direct costs and support costs relating to these activities and an apportionment of support and governance costs.

Certain expenditure is directly attributable to specific activities and has been included in these categories. Certain other support costs, which are attributable to more than one activity, are apportioned across costs categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Intangible fixed assets – goodwill
Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life and shall be amortised on a systematic basis over its life.

1 Accounting policies (Continued)

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:

Website costs	3 - 5 years straight line

Tangible fixed assets

Assets costing £100 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their estimated useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the term of the lease
Cinema technical equipment	10 - 33% straight line
Fixtures and fittings	20 - 33% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments, impairment losses are recognised in the Statement of Financial Activities.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

In the consolidated accounts fixed asset investments held in the form of shares are included at cost.

Realised gains and losses on investments are calculated as difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the year of disposal.

1 Accounting policies (Continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

All of the charity's financial assets and financial liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not resolved at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more tax with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deduced.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1 Accounting policies (Continued)

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Operating lease agreements

The group as a lessee:
The charity classifies the leases of properties as operating leases. Rental charges are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

The group as a lessor:
Rental income from assets leased under operating leases are recognised on a straight line basis over the term of the lease.

2 Critical accounting estimates and judgements

Accounting estimates and judgements 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
In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the charity as lessees, or the lessee, where the charity is a lessor.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
General donations	75,077	-	75,077	98,949
Grants received	737,284	343,024	1,080,308	774,035
	812,361	343,024	1,155,385	872,984
For the year ended 31 March 2020	314,926	558,058		872,984

Tyneside Cinema has an established team of volunteers who offer their time across both the trading company and the charity. In accordance with FRS 102 and the Charities SORP, the economic contributions of general volunteers are not recognised in the accounts. The current headcount is in the region of 9 volunteers. During the cinema's closure we have remained engaged with them and we intend that they will recommence working side by side with paid staff to support them to fulfil their duties. Volunteers are a valued resource to the organisation and we recognise their commitment and value.

4 Charitable activities

	2021 Unrestricted £	2020 Unrestricted £
Cinema activities	(6,727)	1,248,537
Food and drink sales	(195)	175,798
Facilities hire	262,106	347,590
Rental income	-	-
Advertising	583	69,022
Memberships	112,441	155,005
Commission	7,807	40,690
Other	718	10,079
	376,733	2, 046,721

5 Other trading activities

	2021 Unrestricted £	2020 Unrestricted £
Sponsorship	288	15,781
Food and drink sales	5,215	1,981,151
Other trading activities	5,503	1, 996,932

6 Investments

	2021 Unrestricted £	2020 Unrestricted £
Bank deposit investment income	-	83

7 Coronavirus Job Retention Scheme

	2021 Unrestricted £	2020 Unrestricted £
Government Coronavirus Job Retention Scheme grant income	742,219	-

There are no unfulfilled conditions relating to the Coronavirus job retention scheme income.

8 Raising funds

	2021 Unrestricted £	2020 Unrestricted £
Other fundraising costs	12,326	885,279
Staff costs	562,928	787,642
Depreciation	10,012	12,397
	585,266	1,685,318
Allocation of Support Costs	409,091	-
Raising funds	994,357	1,685,318

9 Charitable activities

	2021 £	2020 £
Staff costs	1,073,461	1,429,889
Premises costs	2,981	39,304
Other costs	130,906	823,538
	1,207,348	2,292,731
Allocation of Support Costs (see note 10)	777,137	1,329,719
	1,984,485	3,622,450
Analysis by fund		
Unrestricted funds	1,235,844	2,658,775
Restricted funds	748,641	963,675
	1,984,485	3,622,450

10 Support costs

	Raising Funds	Charitable Activities	2021	2020	Basis of allocation
	£	£	£	£	
Depreciation and amortisation	174,837	333,022	507,859	514,197	Staff time
Operating lease charges	30,817	58,699	89,516	123,118	Staff time
Premises costs	73,545	140,085	213,630	431,970	Staff time
Other costs	40,904	77,914	118,818	212,345	Staff time
Audit fees	5,000	9,250	14,250	14,250	Governance
Accountancy	950	-	950	950	Governance
Governance costs	83,038	158,167	241,205	32,889	Governance
	409,091	777,137	1,186,228	1,329,719	

Governance costs includes payments to the auditors of £14,250 (2020: £14,250) for audit fees. This is split as £9,250 for the charity and £5,000 for the subsidiary.

In prior years all support costs were allocated against Charitable activities. However the presentation above better represents the true allocation of support costs within the charity.

All expenditure was unrestricted for both 2020 and 2021.

11 Taxation

	2021	2020
	£	£
Corporation Tax	(3,571)	3,571
Deferred tax	-	(1,010)
	(3,571)	2,561

12 Employees

Number of employees

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

	2021 Number	2020 Number
Charitable activities and raising funds	89	129
Management and administration	6	6
	95	135

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

	2021 Number	2020 Number
Charitable activities and raising funds	55	76
Management and administration	5	6
	60	82

Employment costs	2021 £	2020 £
Wages and salaries	1,395,127	2,034,019
Social security costs	100,241	147,254
Other pension costs	24,217	36,258
	1,519,585	2,217,531
Staff restructuring costs	92,143	-
Staff development and other staff costs	24,661	51,262
	1,636,389	2,268,793

12 Employees (Continued)

Non statutory/non contractual staff severance payments
There was a non-contractual severance payment totalling £6,458 (2020: £0).

Key management personnel
Neither the trustees nor any other persons connected with them have received any remuneration, either in the current or the prior year.

The key management personnel are stated on the legal and administrative information page. The total employment benefits in the year, including employer pension contributions of £1,919 (2020: £768) were £125,369 (2020: £79,409).

There were no trustee expenses reimbursed during the year (2020: £nil).

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,001 - £70,000	2	1

Pension contributions paid in the year in respect of the above staff were £1,422 (2019: £658).

13 Intangible fixed assets

Group	Goodwill	Website costs	Total
	£	£	£
Cost			
At 1 April 2020	21,750	63,345	85,095
Additions	-	21,817	21,817
At 31 March 2021	21,750	85,162	106,912
Amortisation and impairment			
At 1 April 2020	21,750	20,255	42,005
Amortisation charged for the year	-	17,194	17,194
At 31 March 2021	21,750	37,449	59,199
Carrying amount			
At 31 March 2021	-	47,713	47,713
At 31 March 2020	-	43,090	43,090

Charity	Website	Total
	£	£
Cost		
At 1 April 2020	63,345	63,345
Additions	21,817	21,817
At 31 March 2021	85,162	85,162
Amortisation and impairment		
At 1 April 2020	20,255	20,255
Amortisation charged for the year	17,194	17,194
At 31 March 2021	37,449	37,449
Carrying amount		
At 31 March 2021	47,713	47,713
At 31 March 2020	43,090	43,090

14 Tangible fixed assets

Group	Leasehold land and buildings	Cinema technical equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 April 2020	8,063,786	1,422,673	237,146	9,723,605
Additions	-	2,061	3,009	5,070
At 31 March 2021	8,063,786	1,424,734	240,155	9,728,675
Depreciation and impairment				
At 1 April 2020	4,598,856	1,028,424	230,061	5,857,341
Depreciation charged in the year	437,952	54,862	7,863	500,677
At 31 March 2021	5,036,808	1,083,286	237,924	6,358,018
Carrying amount				
At 31 March 2021	3,026,978	341,448	2,231	3,370,657
At 31 March 2020	3,464,930	394,249	7,085	3,866,264

Charity	Leasehold land and buildings	Cinema technical equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 April 2020	8,063,786	1,376,045	223,661	9,663,492
Additions	-	2,061	3,009	5,070
At 31 March 2021	8,063,786	1,378,106	226,670	9,668,562
Depreciation and impairment				
At 1 April 2020	4,599,050	1,003,085	223,661	5,825,796
Depreciation charged in the year	437,759	52,441	466	490,666
At 31 March 2021	5,036,809	1,055,526	224,127	6,316,462
Carrying amount				
At 31 March 2021	3,026,977	322,580	2,543	3,352,100
At 31 March 2020	3,464,736	372,960	-	3,837,696

15 Fixed asset investments

Group	Art exhibition
	£
Cost or valuation	
At 1 April 2020 & 31 March 2021	10,000
Carrying amount	
At 31 March 2021	10,000
At 31 March 2020	10,000

Subsidiary
In addition to the art exhibition, the company owns the entire £1 share capital of Tyneside Cinema Trading Co. Ltd (company number 08804734), which is incorporated in the United Kingdom.

A summary of the trading results is shown below:

	2021	2020
Summary Statement of Comprehensive Income	£	£
Turnover	8,964	1,992,974
COS	(631)	(561,169)
	8,333	1,431,805
Administrative expenses	(703,692)	(1,395,974)
Other operating income	409,668	
(Loss)/Profit before tax	(285,691)	35,831
Interest payable and similar expenses	-	(19,002)
Profit before taxation	(285,691)	16,829
Taxation	4,935	(2,561)
Net (loss)/profit	(280,756)	14,268

The assets and liabilities of the subsidiary were:	2021 £	2020 £
Fixed assets	18,556	28,568
Current assets	54,515	191,934
Creditors: amounts falling due within one year	(240,669)	(212,230)
Creditors: amounts falling due after more than one year	(106,250)	
Deferred tax	(2,529)	(3,893)
Total net assets	(276,377)	4,379
Aggregated share capital and reserves	(276,377)	4,379

16 Stocks

	Group 2021 £	2020 £	Charity 2021 £	2020 £
Finished goods and goods for resale	12,413	14,234	-	4,676
	12,413	14,234	-	4,676

17 Debtors

Amounts falling due within one year:	Group 2021 £	2020 £	Charity 2021 £	2020 £
Trade debtors	19,171	54,129	14,964	30,225
Other debtors	175	-	175	-
Prepayments and accrued income	236,922	82,549	222,786	56,977
Other group undertakings	-	-	105,658	-
Corporation tax receivable	3,571	-	-	-
	259,839	136,678	343,583	87,202

18 Creditors: amounts falling due within one year

		Group		Charity	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans	20	175,276	61,687	156,526	61,687
Trade creditors		220,769	216,451	209,938	190,307
Amounts due to fellow group undertakings		-	-	-	54,109
Other taxation and social security		76,488	164,002	18,384	74,616
Corporation tax payable		-	3,571		
Other creditors		14,545	36,303	14,545	36,303
Accruals		156,008	214,637	123,020	167,914
Deferred income	21	203,770	234,249	189,431	187,844
		846,856	930,900	711,844	772,780

19 Creditors: amounts falling due after more than one year

		Group		Charity	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans	20	550,417	485,276	444,167	485,276
Other loans		394,117	-	394,117	-
		944,534	485,276	838,284	485,276

20 Borrowings

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	662,000	546,963	537,000	546,963
Other loans	457,810	-	457,810	-
	1,119,810	546,963	994,810	546,963

20 Borrowings (continued)

	Group 2021	2020	Charity 2021	2020
	£	£	£	£
Payable within one year				
Bank loans	111,584	61,687	92,833	61,687
Other loans	63,692	-	63,692	-
Payable after one year				
Bank loans	550,417	485,276	444,167	485,276
Other loans	394,117	-	394,117	-

Amounts included above which fall due after five years:

	Group 2021	2020	Charity 2021	2020
Payable by instalments				
Bank loans	29,750	162,115	23,500	162,115
Other loans	115,296	-	115,296	-

Various loans are held with HSBC and Newcastle City Council. Two loans with HSBC were due for repayment in May 2021 and August 2021 with interest rates of 3.8% and 4.3% respectively. At the end of March 2021 these loans were repaid and a new loan for £67k was agreed at an interest rate of 3.8% over base rate and due for repayment March 2023.

Two further loans with HSBC under the Coronavirus Business Interruption Loan Scheme were taken out in July 2020 totalling £595,000. Repayment of these loans is over 5 years starting August 2021. Interest rates are 3.99% over the Bank of England base rate.

The loans with Newcastle City Council are due for repayment April 2027 with interest rates of 4.87% and 3.43% respectively over the Bank of England base rate. The loans are secured on the leasehold property. Subsequent to the year end, further payment holidays were agreed with both lenders as a result of the COVID pandemic.

21 Deferred Income

	Group 2021	2020	Charity 2021	2020
	£	£	£	£
Balance as at 1 April	234,249	133,534	234,249	133,534
Released from previous years	(219,249)	(133,534)	(219,249)	(133,534)
Resources deferred in the year	188,770	234,249	174,431	234,249
Balance carried forward at 31 March	203,770	234,249	189,431	234,249

22 Provisions for liabilities

	2021	2020
	£	£
Deferred tax liabilities	224	224
	224	224

23 Analysis of charitable funds

For the year ended 31 March 2021:

Group	Balance at 1 April 2020	Movement in funds Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Unrestricted funds					
General funds	(26,033)	1,936,816	(2,226,630)	(154,900)	(470,747)
Designated funds	-	-	-	154,900	154,900
	(26,033)	1,936,816	(2,226,630)	-	(315,847)
Restricted funds					
Capital development	2,953,099	-	(405,617)	-	2,547,482
Arts Council	-	126,562	(126,562)	-	-
Project grants	-	216,462	(216,462)	-	-
	2,953,099	343,024	(748,641)	-	2,547,482
Total funds	2,927,066	2,279,840	(2,975,271)	-	2,231,635

23 Analysis of charitable funds (continued)

For the year ended 31 March 2021:

Charity	Balance at 1 April 2020	Movement in funds: Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Unrestricted funds					
General funds	(34,081)	1,578,183	(1,585,876)	(154,900)	(196,674)
Designated funds	-	-	-	154,900	154,900
	(34,081)	1,578,183	(1,585,876)	-	(41,774)
Restricted funds					
Capital development	2,953,099	-	(405,617)	-	2,547,482
Arts Council	-	126,562	(126,562)	-	-
Project grants	-	216,462	(216,462)	-	-
	2,953,099	343,024	(748,641)	-	2,547,482
Total funds	2,919,018	1,921,207	(2,334,517)	-	2,505,708

The specific purposes for which the funds are to be applied are as follows:

General reserves - the general reserves represent the free funds of the charity which are not designated for any particular purpose.

Restricted funds:
Arts Council - revenue funding to support the digital and creative media arts programme at the Tyneside Cinema.
Capital Development fund - for the refurbishment and modernisation of Tyneside Cinema.

A grant was received from Art Council England's Cultural Recovery Fund. A condition of this grant was that part of this fund was to be used to reflate the charity's reserves and therefore the trustees agreed that a designated fund of £154,900 would be created for this purpose.

23 Analysis of charitable funds (continued)

For the year ended 31 March 2020:

Group	Balance at 1 April 2019	Movement in funds: Incoming resources	Movement in funds: Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Unrestricted funds					
General funds	(55,087)	4,358,662	(4,346,654)	17,046	(26,033)
	(55,087)	4,358,662	(4,346,654)	17,046	(26,033)
Restricted funds					
Capital development	3,358,716	-	(405,617)	-	2,953,099
Arts Council	17,046	124,271	(124,271)	(17,046)	-
Project grants	-	433,787	(433,787)	-	-
	3,375,762	558,058	(963,675)	(17,046)	2,953,099
Total funds	3,320,675	4,916,720	(5,310,329)	-	2,927,066

For the year ended 31 March 2020:

Charity	Balance at 1 April 2019	Movement in funds: Incoming resources	Movement in funds: Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Unrestricted funds					
General funds	(123,585)	2,721,954	(2,649,496)	17,046	(34,081)
	(123,585)	2,721,954	(2,649,496)	17,046	(34,081)
Restricted funds					
Capital development	3,358,716	-	(405,617)	-	2,953,099
Arts Council	17,046	124,271	(124,271)	(17,046)	-
Project grants	-	433,787	(433,787)	-	-
	3,375,762	558,058	(963,675)	(17,046)	2,953,099
Total funds	3,252,177	3,280,012	(3,613,171)	-	2,919,018

24 Analysis of net assets between funds

	Unrestricted	Restricted General	Total
	£	£	£
Fund balances at 31 March 2021 are represented by:			
Intangible fixed assets	47,713	-	47,713
Tangible assets	823,175	2,547,482	3,370,657
Investments	10,000	-	10,000
Current (liabilities)	(251,977)	-	(251,977)
Long term liabilities	(944,534)	-	(944,534)
Provisions	(224)	-	(224)
	(315,847)	2,547,482	2,231,635

	Unrestricted	Restricted General	Total
	£	£	£
Fund balances at 31 March 2020 are represented by:			
Intangible fixed assets	43,090	-	43,090
Tangible assets	913,165	2,953,099	3,866,264
Investments	10,000	-	10,000
Current assets/(liabilities)	(506,788)	-	(506,788)
Long term liabilities	(485,276)	-	(485,276)
Provisions	(224)	-	(224)
	(26,033)	2,953,099	2,927,066

25 Cash generated from operations

	2021	2020
	£	£
Deficit for the year	(695,431)	(393,609)
Adjustments for:		
Investment income recognised in statement of financial activities	-	(83)
Deferred Taxation	-	2,561
Amortisation of intangible fixed assets	17,194	9,030
Impairment losses	-	-
Depreciation of tangible fixed assets	500,677	517,564
Movements in working capital:		
Decrease/(increase) in stocks	1,821	14,812
(Decrease)/increase in debtors	(123,161)	96,132
(Decrease)/increase in creditors	(163,583)	(207,617)
(Increase)/decrease in deferred income	(30,479)	100,715
Corporation taxation paid	(3,571)	
Cash generated from operations	(496,533)	139,504

26 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	144,126	121,788
Between two and five years	449,937	217,074
In over five years	358,323	937
	952,386	339,799

27 Financial commitments, guarantees and contingent liabilities

Grants receivable from the European Regional Development Fund, Arts Council England, BFI and Heritage Lottery Fund are repayable if the charity fails to keep to the terms of the agreement with the grant funders, undergoes a significant change in status, ceases to operate or is declared insolvent within the period to 2028 for the European Regional Development Fund and 2031 for the Heritage Lottery Fund. The restricted funds relating to these grants are shown in note 24. Annual depreciation regarding the property is being charged annually against the restricted funds.

The agreement with Heritage Lottery Fund is secured by legal charges over the leasehold property at 10 Pilgrim Street, Newcastle upon Tyne.

28 Legal status of the charity

The charity is a charity limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

29 Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation or Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

30 Related party transactions

The charity has taken the exemption contained within FRS 102 for disclosing transactions with its wholly owned subsidiary as consolidated financial statements are prepared.

J Wade, one of the charity's trustees, was employed by Muckle LLP, the charity's solicitor, during the current financial year. The charity paid Muckle LLP £59,122 during the year for the provision of legal services, all of which were charged at normal commercial rates.

M Such, one of the charity's trustees, is Chief Executive Officer of Curtis Gabriel, a digital marketing agency. Curtis Gabriel charged the charity £10,000 during the year for marketing and communications advice, all of which was charged at normal commercial rates.

Accounts

Charity Registration No. 502592

Company Registration No. 01113101 (England and Wales)

TYNESIDE CINEMA

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020

TYNESIDE CINEMA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L Armstrong (resigned 31st October 2020) S Kyffin (resigned 31st October 2020) N Shottel (resigned 9th December 2020) C Binns E McIntyre (resigned 13th July 2020) M Such R Carmichael S Bratch J Wade J Shepstone (appointed 20th January 2021)
Charity number	502592
Company number	01113101
Registered office	Newe House 10 Pilgrim Street Newcastle upon Tyne NE1 6QG
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne NE1 4AD
Bankers	HSBC Bank plc 110 Grey Street Newcastle upon Tyne NE1 6JG
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF
Key management personnel	
Chief executive officer	H Keeble (resigned 24th September 2020) S Drysdale (appointed 18th November 2020)
Head of finance and administration	N Morgan (appointed 12th October 2020)

TYNESIDE CINEMA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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 2016).

Objectives and activities

Tyneside Cinema is a thriving social hub and cultural venue which aims to enrich people's lives by thinking differently about and through film. As the North East's only full-time independent cinema we play a vital role in Newcastle's creative economy, currently employing around 60 people across the charity and trading company, with all profits reinvested in support of our charitable objectives.

Our vision is to be the most welcoming, most exciting, most relevant and most successful independent creative cinema in the UK. Our mission is for people to be inspired, entertained and transformed by the watching and making of film. As an organisation we value all aspects of film and its potential to nourish, connect, reward, celebrate, educate and speak for the marginalised – to speak for all of us.

Our heritage is evident in our 1930's Art Deco building, housing the last surviving newsreel theatre still showing films. Our more recent history as a ground-breaking independent cinema started in 1968 when the British Film Institute funded the reopening of the venue as the Tyneside Film Theatre, and continued through the 70's, 80's and 90's with a succession of inspiring and highly respected Directors and Programmers. The period 2008 to 2015 marked a change in the scale and profile for the cinema following building projects that added three screens, a gallery space and substantial retail catering to our organisation's offer.

Three aims underpin how we plan to deliver on our vision:

1. Maintain and develop our broad range of innovative, distinctive and high quality activities

Tyneside Cinema is committed to achieving excellence, and this begins with our cultural programme spanning Film Programme, Artists' Moving Image and Learning & Participation in film making. We place a strong focus on achieving the highest quality in our curated film programmes through the new work we produce and the learning & participation opportunities we create. We identify opportunities throughout the year for these strands to come together to create rich points of cross-over, thematically and artistically.

2. Maximise our resources and effectiveness, and strengthen our resilience and sustainability

To deliver financial resilience into the future we plan to continue to diversify and strengthen our earned income streams and increase the net profit of trading activities. Other areas of Tyneside Cinema make a significant contribution to turnover and profitability through hires, events and sales of cinema concessions. We will continue to grow our profitability to re-invest in our programme and marketing, to ensure the future of our historic building and reach our targets for reserves.

Our resilience now and into the future also depends on our customers. They are our major stakeholders and their direct contribution accounts for the majority of our turnover. The quality of our programme and the effectiveness of our marketing are critical to our success.

3. Grow and diversify our audiences and users, and enhance our value to the local area

We aim to build on and expand the Cinema's cultural and social role to extend use of the building beyond our core film activities and generate a greater awareness of the Cinema as a rich, distinctive and vibrant brand. We are a community hub, a place to learn, and a place to grow. We do all of this through film.

Programme Areas

Film Programme
Our film programming from the UK and around the world aims to be engaging, enriching and diverse, encompassing new releases, classics, curated major seasons and live events. It combines independent and mainstream film of wide-ranging genres, recognising that our strength lies in providing breadth and access points for all.

We continue to expand the numbers of non-first-run films to bolster our cultural and financial resilience and contextualise our programmes wherever possible through Q&As and discussions, involving industry professionals and community partners. We are open in our approach and welcome opportunities for collaborative programming, whether that be with guest curators, academic partners or our audiences.

Artist Film
Our primary focus is to commission and produce new work, primarily for cinema audiences. Artists' moving image and performance work is a regular and core feature of the in-Cinema programme. Additionally, we create opportunities for developing artists' practice, which while available to artists nationally and internationally, has allocated spaces to ensure North East based artists can participate in and benefit from these activities.

This model opens up exciting opportunities for artists, plays to our strengths in production and exhibition, and utilises our distribution networks as well increasing our profile and reputation, locally, nationally and internationally.

Partnership and collaboration is central to this programme in order to better resource the creation of excellent work through co-commissioning and also to maximise the benefit for audiences through touring and co-promotion.

Learning and Participation & Talent Development
Learning about and participation in film making is fundamental to what we do. Our in-house team of practising film makers and artists has created a range of workshops for young people between the ages of 8 and 24 that complements work done in the classroom. From modern foreign language workshops and study days to curriculum film-making workshops, our sessions and facilities build skills and confidence for the future.

Our learning & participation programme falls into two areas: the activities we deliver for schools and colleges and the programmes we deliver for the public, from short film schools in the holidays, to industry-focused, in-depth academies. This ladder of opportunity is designed to develop confidence, creativity and skills. Young people leave our programmes with a deeper understanding of, and appreciation for, independent film culture, and some go on to pursue a career in the industry.

Film Heritage
Our Film Heritage programme includes screening of repertory film classics, retrospectives, archive films and daily archive newsreels, the interpretation of our historic cinema by exhibition of historic objects and physical information in the venue, and free guided tours hosted by a team of dedicated, knowledgeable volunteer guides. The guides also provide outreach talks in the community.

STRATEGIC REPORT

Achievements and Performance
The charitable company's policies in the pursuit of its objectives are kept under regular review. The board of trustees considers the financial activities of the group during the year to be satisfactory. The funds and resources are used entirely for its main objective. The movements in funds are described in the Statement of Financial Activities on page 13.

The threat of the global COVID-19 pandemic caused the closure of the building to the public in March 2020. At the date of signing this report, the Cinema has not yet been able to re-open, although plans are in place to do so as soon as government restrictions are lifted. Further details regarding the impact of the pandemic on the Cinema's operations and financial position can be found later in this report.

Film Programming
We have engaged with a wide-ranging audience of 190,000 people, allowing them to engage culturally and socially with the medium of film via screenings, discussions, expert presentations and Q&As. Highlights include:

- 518 films screened from 38 countries, of which 436 were non-mainstream and 134 were British independents.
- Hosted a film programme in which more than a quarter of films screened have no UK distribution and would not otherwise have been seen.
- Presented a programme of films that is 50% unique in the region.
- Hosted 59 screenings with expert introductions, filmmaker Q&As, panel discussions and live elements.
- Focused on work by BAME, LGBTQI+ and women filmmakers.
- Delivered community and socially conscious screenings including our regular Frontline strand, including events focused on grief, depression, suicide and educational development.
- Presented our Silver Screen programme for the over 60s to over 1,700 people, Dementia Friendly Cinema for 250 people, and Autism Friendly screenings for 350 people.

Learning & Participation
We have helped more than 2,000 young people and children to engage with their curriculum in imaginative and creative ways through the making and watching of film. Typical outcomes are reported as improving communication skills, making young people feel more resilient, better at working in teams, and improving project and self-management skills.

Our New Creatives Programme successfully widened access to the creative industries by creating 50 opportunities for a diverse range of young artists from across the North of England to take part in a 9 month project to extend their creative and professional practice by developing and producing new work in film, audio and interactive for the BBC.

Financial review
The consolidated balance sheet on page 14 shows an improvement in unrestricted income funds of £29,054 at 31 March 2020. This positive result built on the foundations for growth laid in the previous year. At the year end, total funds of the group amount to £2,927,066 however the majority is not freely available because the balance is invested in fixed assets or has a restriction for other purposes.

Earned income remained high, and from a range of sources, from ticket income, ancillary sales and hires and events.

The income split was 82% earned and 18% public subsidy for the Year 2019/2020 (2018/2019 88% and 12% respectively).

The wholly owned subsidiary Tyneside Cinema Trading Co. Ltd. continued in its commercial activities of food and beverage offering, achieving profits after tax of £14,268 (2019 £59,729).

Pricing policy
Our pricing policy reflects our aim of engaging more and more diverse people in our programme. We run heritage tours and newsreel screenings which are free, alongside our gallery offering an opportunity for the public to view at no charge.

Concessions are provided for those receiving income support, people in full-time education, young people aged 16 and under, senior citizens, disabled people, and Active Newcastle Card holders. Other offers include family tickets and Young Tyneside cards.

Reserves policy
The charity reserves policy is to build towards £275,000 of free reserves, being three months of trading expenditure. In addition, the charity recognises that a cash reserve of £100,000 would be appropriate to ensure the secure financial running of the business during the quieter first half of the financial year. As at 31st March 2020, unrestricted reserves stand at a deficit. Subsequent to the year end, the cinema was successful in applications for emergency grant funding from the Arts Council of England's Cultural Recovery Fund and this, together with various other COVID-related grant awards, means that the cinema's reserve position has been substantially strengthened and as at the date of signing of this report, unrestricted and free reserves are positive.

Investment policy and powers
Under the memorandum and articles of association, the charity has the power to invest in any way the trustees wish.

Fundraising
All fundraising is carried out with the full oversight of the Trustees. Tyneside Cinema strives to provide an excellent service to all of our supporters and any complaints are dealt with by our service team.

Tyneside Cinema prides itself on a high standard and we continually review how we contact the public to ask for support. This ensures we follow regulations, meet our own high standard and exceed the public expectation.

We take responsibility towards supporters who may be considered vulnerable very seriously. Our fundraising and customer service teams are trained to respond sensitively and appropriately to any individual they may consider to be vulnerable.

Going concern
After making appropriate enquiries, the governing body has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing its financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Impact of COVID-19 pandemic
The threat of the global COVID-19 pandemic caused the closure of the building to the public in March 2020 and, as at the date of signing this report, the Cinema has not yet been able to re-open. This has led to a very significant reduction in the Cinema's income, with no revenue earned from ticket sales, hires and events, or food and beverage sales since this date. In the face of this extended closure we had to implement a substantial programme of cost reductions which included reducing staff numbers by almost 50%. We now have a staff of around 60, with a leaner structure which is adequate for reopening at a level in line with our transition plan.

We have made extensive use of the government's Coronavirus Job Retention Scheme, placing the majority of our staff on furlough. A small number of employees have continued to work in order to maintain the core operations of the cinema, including ensuring the safety and security of our building, developing plans which will allow the Cinema to re-open as soon as possible, in a COVID-secure manner, and maintaining some of our Learning and Participation programmes.

We have continued to work closely with our major funders and have received substantial financial support from Arts Council England, the British Film Institute and the National Lottery Heritage Fund. This support has been vital in ensuring the future financial stability of the Cinema. We have also obtained a loan under the Coronavirus Business Interruption Loan Scheme. We continue to seek further philanthropic support and will restart our regular programme of fundraising, including the Friends of Tyneside Cinema scheme, as soon as our re-opening plans allow it.

Independent Review
In July 2020 a number of allegations of past misconduct by various employees and management were made against the cinema. These allegations included allegations of sexual misconduct, as well as bullying and poor workplace practices. In response, the Cinema commissioned an independent review into these allegations, and committed to implementing the recommendations in full.

The independent review took evidence from a large number of employees and reported in October 2020. The review contained 74 individual recommendations, all of which the Cinema accepted. The Cinema apologises unreservedly to those who have been affected by these issues, and is in the process of implementing the recommendations in full.

In order to allow for new leadership in this difficult time for the Cinema, the Chair of Trustees and Chief Executive resigned in September 2020 and the Cinema subsequently appointed an interim Chief Executive with extensive experience of change management in the cultural sector, as well as an interim Chair of Trustees. Together with other changes to the Cinema's senior management team, the Cinema is confident that it has in place a leadership team of experienced and skilful individuals able to address these issues and develop a new approach to communication, strategy and vision as we look forward to re-opening.

The Cinema has regularly kept its employees informed throughout this difficult period and will continue to communicate its actions around the review recommendations. The independent review provides a valuable document that supports our organisation as we move forward with a consideration of our people at the heart of everything we do. Many of the recommendations have already been completed or are in progress, all are timetabled and set within a clear plan of delivery. To embed this strategic choice we have recruited an HR professional to the role of People Manager who reports directly to the CEO.

Volunteers

Free guided tours of the cinema continued to be held by our volunteer heritage guides, who tell the story of Tyneside Cinema and give our customers an exclusive glimpse behind the scenes of the building, including a tour of the classic auditorium and a free screening of an archive newsreel. Tours were delivered by seven volunteer guides.

The volunteers are a valued resource to the organisation and their commitment is recognised. The board of trustees, who have the uppermost authority for controlling the activities of the charity, are volunteers.

Plans for the future

In 2020 we radically restructured our organisation by reducing our staff numbers by around 50%. A direct consequence of the pandemic, this action helped us to reduce our ongoing costs and put us in a stronger position for reopening with a smaller, but highly focused team. The Senior Leadership team has since been strengthened with the addition of an experienced Interim Chief Executive, Head of Finance, People Manager and Head of Marketing. We are building our strategy and plans to make the most of commercial opportunities such as our bar, café, concessions and events and we have brought in expert support to ensure we maximise all our income opportunities and create sustainable revenue. At the same time we are looking at our core work around film and our value as a charity and making sure that what we do is relevant, unique and the best offer for Newcastle and the North East.

We will continue to work closely with other cultural venues in the area through the Newcastle Gateshead Cultural Venues network and with the City Council. Our aim is to capitalise on the affection that is felt for our organisation and make sure we develop a realistic and sustainable operating model for the future.

Structure, governance and management

The charity is a company limited by guarantee (incorporated 10 May 1973) and as such is governed by its memorandum and articles of association, last amended by special resolution dated 30 July 2014. It is registered as a charity with the Charity Commission.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

L Armstrong	(Resigned 31st October 2020)
S Kyffin	(Resigned 31st October 2020)
N Shottel	(Resigned 9th December 2020)
C Binns	
E McIntyre	(Resigned 13th July 2020)
C Bray	(Resigned 29 January 2020)
M Such	
R Carmichael	(Appointed 24 July 2019)
S Bratch	(Appointed 29 January 2020)
J Wade	(Appointed 29 January 2020)

Members' liability
Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Method of recruitment and appointment or election of trustees
The directors of the company are also trustees of the charity. They are unpaid and give their time freely and generously, bringing to bear significant skills to support the staff.

Term of office: trustees serve a maximum of two consecutive terms of three years each and the board meet four times per year.

Recruitment of trustees: the board has a fixed tenure for membership to ensure that the board is refreshed. It recruits new members through open advertising in its printed and online publicity. Applicants are shortlisted and are interviewed by the chair and vice chair of the board.

Policies and procedures adopted for the induction and training of trustees
New trustees are inducted by the chair of the board and the chief executive. They are given a tour of the cinema, a written induction pack which includes the charity's business plan and governing documents, and a copy of the staff handbook which details all of the charity's operational policies. All trustees attend a formal session which discusses in details the role and responsibilities of trustees.

Organisational structure
A chief executive is appointed by the board to manage the day-to-day operations of the charity. The full board meets four times per year. Detailed written board reports and an agenda are prepared by the senior managers of the charity and circulated in advance of meetings. Board meetings are attended by the chief executive and senior leadership team.

Board decisions are made by simple majority vote.

The board also welcomes observers from its major stakeholders, Newcastle City Council, British Film Institute and Arts Council England.

Outside of these meetings, all trustees are invited to attend informal 'contact group' meetings with the heads of department on a voluntary basis. These meetings enable managers and trustees to stay in touch and build trustees understanding of the charity by allowing discussion and reflection in depth on particular aspects of the charity's work.

There is a standing group for Audit, Risk and Finance. Other sub-groups are formed to assist on specific and time-limited projects.

Tyneside Cinema is part of the Newcastle Gateshead Cultural Venues (NGCV) group. NGCV is a voluntary partnership of 10 organisations running 20 venues, archives and heritage sites in Tyne & Wear. There are quarterly meetings of functional areas, all organisations work together to share learning and information in order to maximise sustainability, as well as maximising social, cultural and economic impact.

Arrangements for setting pay and remuneration of key management personnel
Arrangements for setting pay and remuneration of key management personnel is consistent with all staff at the charity.

All trustees give their time freely; none of the trustees receive remuneration or any other type of benefit from their work with the charity. Details of related party transactions are disclosed in note 31.

Trading company
A wholly owned subsidiary trading company operates the Tyneside Bar and Café, Vicolo and Coffee Rooms situated on the ground and first floors of the cinema building. The building lease and some assets of the trading company are owned by the charity. The company shares the mission of the charity. Its aim is to provide a significant contributed income stream to support the charitable activities.

Related parties and other connected charities and organisations
The charity has a longstanding relationship with its key stakeholder Newcastle City Council. Newcastle City Council regards the cinema as one of the city's key cultural assets.

The charity has continued to fulfil its remit as a revenue funded client of Arts Council England as part of its 'National Portfolio'.

The charity owns the entire share capital of the trading subsidiary Tyneside Cinema Trading Co. Ltd. as described previously. The trading company has a licence to operate in the spaces it occupies which are leased to the cinema on a long term lease by the head landlords. Some of the assets utilised by the trading company are also all owned by the cinema, and a fair charge made for their use. All surpluses generated by the trading company will be gift aided to the Tyneside Cinema in furtherance of its charitable aims.

The charity works in partnership with charities, colleges, schools and other regional organisations to enhance the delivery and reach of its objectives.

Auditor
RSM UK Audit LLP has indicated its willingness to continue in office.

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

JWade

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J Wade
Trustee

Dated: 21st April 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

The trustees, who are also the directors of Tyneside Cinema 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; 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TYNESIDE CINEMA

Opinion on financial statements

We have audited the financial statements of Tyneside Cinema (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 March 2020 and of the group's 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 and the Charities Act 2011.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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, which includes the Directors' Report and the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TYNESIDE CINEMA (CONTINUED)

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, 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 group's and parent 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 group or parent 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.

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

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.

L. Robson

Lucy Robson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD
23.04.2021

TYNESIDE CINEMA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	3	314,926	558,058	872,984	551,163
Charitable activities	4	2,046,721	-	2,046,721	2,237,125
Other trading activities	5	1,996,932	-	1,996,932	1,973,124
Investments	6	83	-	83	226
Total income		**4,358,662**	**558,058**	**4,916,720**	**4,761,638**
Expenditure on:					
Raising funds	7	1,685,318	-	1,685,318	1,699,207
Charitable activities	8	2,658,775	963,675	3,622,450	3,429,260
Total charitable expenditure		**4,344,093**	**963,675**	**5,307,768**	**5,128,467**
Taxation	10	2,561	-	2,561	62
Total resources expended		**4,346,654**	**963,675**	**5,310,329**	**5,128,529**
Net (Outgoing)/Incoming resources before transfers		**12,008**	**(405,617)**	**(393,609)**	**(366,891)**
Transfer between funds		17,046	(17,046)	-	-
Net movement in funds		**29,054**	**(422,663)**	**(393,609)**	**(366,891)**
Total funds brought forward		(55,087)	3,375,762	3,320,675	3,687,566
Total funds carried forward		**(26,033)**	**2,953,099**	**2,927,066**	**3,320,675**

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

All income and expenditure derive from continuing activities.

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

Company Registration No. 01113101
Charity No. 502592

TYNESIDE CINEMA
CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	13		43,090		17,860
Tangible assets	14		3,866,264		4,367,499
Investments	15		10,000		10,000
			3,919,354		4,395,359
Current assets					
Stocks	16	14,234		29,046	
Debtors	17	136,678		232,811	
Cash at bank and in hand		273,200		329,762	
		424,112		591,619	
Creditors: amounts falling due within one year	18	(930,900)		(1,116,497)	
Net current liabilities			(506,788)		(524,878)
Total assets less current liabilities			3,412,566		3,870,481
Creditors: amounts falling due after more than one year	19		(485,276)		(548,572)
Provisions for liabilities			(224)		(1,234)
Net assets			2,927,066		3,320,675
Income funds					
Restricted funds	24		2,953,099		3,375,762
Unrestricted funds			(26,033)		(55,087)
			2,927,066		3,320,675

The financial statements were approved by the Trustees on 21st April 2021

JWade

J Wade
Chair

Company Registration No. 01113101
Charity No. 502592

TYNESIDE CINEMA
BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	13		43,090		17,860
Tangible assets	14		3,837,696		4,336,262
Investments	15		10,001		10,001
			3,890,787		4,364,123
Current assets					
Stocks	16	4,676		6,152	
Debtors	17	87,202		217,129	
Cash at bank and in hand		194,409		215,834	
		286,287		439,115	
Creditors: amounts falling due within one year	18	(772,780)		(1,002,489)	
Net current liabilities			(486,493)		(563,374)
Total assets less current liabilities			3,404,294		3,800,749
Creditors: amounts falling due after more than one year	19		(485,276)		(548,572)
Net assets			2,919,018		3,252,177
Income funds					
Restricted funds	24		2,953,099		3,375,762
Unrestricted funds			(34,081)		(123,585)
			2,919,018		3,252,177

As permitted by section 408 of the Companies Act 2006, the statement of financial activities of the parent company is not presented as part of these accounts. The parent company's total income resources for the financial year amounted to £3,280,012 (2019: £3,166,755) and the net movement in funds for the financial year amounted to a deficit of £333,159 (2019: £274,010).

The financial statements were approved by the Trustees on 21st April 2021

JWade

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J Wade
Trustee

TYNESIDE CINEMA

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from operations	**26**		139,504		201,943
Investing activities					
Purchase of intangible assets		(34,260)		(21,750)	
Purchase of tangible fixed assets		(16,329)		(63,224)	
Interest received		83		226	
Net cash used in investing activities			(50,506)		(84,748)
Financing activities					
Repayment of bank loans		(145,560)		(107,713)	
Net cash (used in)/generated from financing activities			(145,560)		(107,713)
Net increase/(decrease) in cash and cash equivalents			(56,562)		9,482
Cash and cash equivalents at beginning of year			329,762		320,280
Cash and cash equivalents at end of year			273,200		329,762

1 Accounting policies

Charity information

Tyneside Cinema is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Newe House, 10 Pilgrim Street, Newcastle upon Tyne, NE1 6QG.

Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit of loss or the group. The charity has therefore taken the exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flows and related notes and disclosures.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern, despite the net current liabilities. Budgets and cash flow forecasts have been prepared to March 2022.The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate overall resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, Tyneside Cinema Trading Co. Ltd. (formerly TC Bar Cafe Co. Ltd.), a company incorporated in England and Wales, on a line by line basis. All financial statements are made up to 31 March 2020, and consistent accounting policies are used.

A separate Statement of Financial Activities for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Charitable funds

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the charity at the discretion of the trustees.

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

Incoming resources

All incoming resources are recognised when the charity has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

1 Accounting policies (Continued)

Grant income is receivable from the Arts Council, Bridge. British Film Institute and the Gillian Dickenson Trust. This is recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability.

Income from charitable activities also includes cinema tickets purchased and income from the hire of facilities, and the income is recognised in the period in which it is receivable.

Income received from the charitable company's sole subsidiary is included within other trading activities income, and is included in the period in which the income is receivable.

Donations
Donations are received by way of grants, donations, and gifts and are recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability.

Other income
Income from charitable activities also includes the letting of non-investment property to the trading subsidiary, in furtherance from the charity's objects. Rental income is included in the financial statements in the period in which it is receivable.

Interest receivable
Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended
Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds
This includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities
These are costs incurred by the charity in the delivery of its activities and services for its beneficiaries, and include both the direct costs and support costs relating to these activities and an apportionment of support and governance costs.

Certain expenditure is directly attributable to specific activities and has been included in these categories. Certain other support costs, which are attributable to more than one activity, are apportioned across costs categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Intangible fixed assets – goodwill
Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over its life.

1 Accounting policies (Continued)

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:

Website costs	3 - 5 years straight line

Tangible fixed assets

Assets costing £100 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their estimated useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the term of the lease (up to a maximum of 20 years)
Cinema technical equipment	10 - 33% straight line
Fixtures and fittings	20 - 33% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments, impairment losses are recognised in the Statement of Financial Activities.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for they year. Transaction costs are expensed as incurred.

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

In the consolidated accounts fixed asset investments held in the form of shares are included at cost.

Realised gains and losses on investments are calculated as difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the year of disposal.

1 Accounting policies (Continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

All of the charity's financial assets and financial liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not resolved at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more tax with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deduced.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1 Accounting policies (Continued)

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Operating lease agreements

The group as a lessee:

The charity classifies the leases of properties as operating leases. Rental charges are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

The group as a lessor:

Rental income from assets leased under operating leases are recognised on a straight line basis over the term of the lease.

2 Critical accounting estimates and judgements

Accounting estimates and judgements 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

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the charity as lessees, or the lessee, where the charity is a lessor.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
General donations	98,949	-	98,949	42,421
Grants received	215,977	558,058	774,035	508,742
	314,926	558,058	872,984	551,163
For the year ended 31 March 2019	168,582	382,581		551,163

Tyneside Cinema has an established team of volunteers who offer their time across both the trading company and the charity. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contributions of general volunteers are not recognised in the accounts. The current headcount is in the region of 9 volunteers working side by side with paid staff to support them to fulfil their duties. Volunteers are a valued resource to the organisation and we recognise their commitment and value.

4 Charitable activities

	2020 Unrestricted £	2019 Unrestricted £
Cinema activities	1,248,537	1,283,941
Food and drink sales	175,798	273,470
Facilities hire	347,590	408,561
Rental income	-	1,222
Advertising	69,022	67,062
Memberships	155,005	147,701
Commission	40,690	36,568
Other	10,079	18,600
	2,046,721	2,237,125

5 Other trading activities

	2020 Unrestricted £	2019 Unrestricted £
Sponsorship	15,781	12,000
Food and drink sales	1,981,151	1,961,124
Other trading activities	1,996,932	1,973,124

6 Investments

	2020 Unrestricted £	2019 Unrestricted £
Bank deposit investment income	83	226

7 Raising funds

	2020 Unrestricted £	2019 Unrestricted £
Other fundraising costs	885,279	840,012
Staff costs	787,642	824,084
Depreciation	12,397	13,361
Amortisation	-	4,350
Impairment	-	17,400
	1,685,318	1,699,207

8 Charitable activities

	2020	2019
	£	£
Staff costs	1,429,889	1,502,315
Premises costs	39,304	23,957
Other costs	823,538	768,436
	2,292,731	2,294,708
Share of support costs (see note 9)	1,281,630	1,091,729
Share of governance costs (see note 9)	48,089	42,823
	3,622,450	3,429,260
Analysis by fund		
Unrestricted funds	2,658,775	2,650,833
Restricted funds	963,675	778,427
	3,622,450	3,429,260

9 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Depreciation and amortisation	514,197		514,197	515,048	Staff time
Operating lease charges	123,118		123,118	119,325	Staff time
Premises costs	431,970		431,970	263,237	Staff time
Other costs	212,345		212,345	194,119	Staff time
Audit fees	-	14,250	14,250	9,550	Governance
Accountancy	-	950	950	2,200	Governance
Governance costs		32,889	32,889	31,073	Governance
	1,281,630	48,089	1,329,719	1,134,552	
Analysed between					
Charitable activities	1,281,630	48,089	1,329,719	1,134,552	

Governance costs includes payments to the auditors of £14,250 (2019: £9,550) for audit fees. This is split as £9,750 for the charity and £4,500 for the subsidiary.

10 Taxation

	2020	2019
	£	£
Corporation Tax	3,571	-
Deferred tax	(1,010)	62
	2,561	62

11 Employees

Number of employees

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

	2020 Number	2019 Number
Charitable activities and raising funds	129	133
Management and administration	6	6
	135	139

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

	2020 Number	2019 Number
Charitable activities and raising funds	76	75
Management and administration	6	6
	82	81

Employment costs	2020	2019
	£	£
Wages and salaries	2,034,019	2,058,034
Social security costs	147,254	147,409
Other pension costs	36,258	22,868
	2,217,531	2,228,311
Staff restructuring costs	-	1,874
Staff development and other staff costs	51,262	52,064
	2,268,793	2,282,249

11 Employees (Continued)

Non statutory/non contractual staff severance payments
Included in staff restructuring costs are non-contractual severance payments totalling £0 (2019: £1,764).

Key management personnel
Neither the trustees nor any other persons connected with them have received any remuneration, either in the current or the prior year.

The key management personnel are stated on the legal and administrative information page. The total employment benefits in the year, including employer pension contributions of £768 (2019: £2,903) were £79,409 (2019: £128,044).

There were no trustee expenses reimbursed during the year (2019: £nil).

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£60,001 - £70,000	1	1

Pension contributions paid in the year in respect of the above staff were £658 (2019: £1,452).

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in income and expenditure:

	2020 £	2019 £
In respect of:		
Goodwill	-	17,400

13 Intangible fixed assets

Group	Goodwill	Website costs	Total
	£	£	£
Cost			
At 1 April 2019	21,750	29,085	50,835
Additions	-	34,260	34,260
At 31 March 2020	21,750	63,345	85,095
Amortisation and impairment			
At 1 April 2019	21,750	11,225	32,975
Amortisation charged for the year	-	9,030	9,030
At 31 March 2020	21,750	20,255	42,005
Carrying amount			
At 31 March 2020	-	43,090	43,090
At 31 March 2019	-	17,860	17,860

Charity	Website	Total
	£	£
Cost		
At 1 April 2019	29,085	29,085
Additions	34,260	34,260
At 31 March 2020	63,345	63,345
Amortisation and impairment		
At 1 April 2019	11,225	11,225
Amortisation charged for the year	9,030	9,030
At 31 March 2020	20,255	20,255
Carrying amount		
At 31 March 2020	43,090	43,090
At 31 March 2019	17,860	17,860

14 Tangible fixed assets

Group	Leasehold land and buildings	Cinema technical equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 April 2019	8,063,786	1,410,829	232,661	9,707,276
Additions	-	11,844	4,485	16,329
At 31 March 2020	8,063,786	1,422,673	237,146	9,723,605
Depreciation and impairment				
At 1 April 2019	4,161,097	962,416	216,264	5,339,777
Depreciation charged in the year	437,759	66,008	13,797	517,564
At 31 March 2020	4,598,856	1,028,424	230,061	5,857,341
Carrying amount				
At 31 March 2020	3,464,930	394,249	7,085	3,866,264
At 31 March 2019	3,902,689	448,413	16,397	4,367,499

Charity	Leasehold land and buildings	Cinema technical equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 April 2019	8,063,786	1,369,444	223,661	9,656,891
Additions	-	6,601	-	6,601
At 31 March 2020	8,063,786	1,376,045	223,661	9,663,492
Depreciation and impairment				
At 1 April 2019	4,161,097	943,268	216,264	5,320,629
Depreciation charged in the year	437,953	59,817	7,397	505,167
At 31 March 2020	4,599,050	1,003,085	223,661	5,825,796
Carrying amount				
At 31 March 2020	3,464,736	372,960	-	3,837,696
At 31 March 2019	3,902,689	426,176	7,397	4,336,262

15 Fixed asset investments

Group	Art exhibition
	£
Cost or valuation	
At 1 April 2019 & 31 March 2020	10,000
Carrying amount	
At 31 March 2020	10,000
At 31 March 2019	10,000

Subsidiary
In addition to the art exhibition, the company owns the entire £1 share capital of Tyneside Cinema Trading Co. Ltd (company number 08804734), which is incorporated in the United Kingdom.

A summary of the trading results is shown below:

	2020	2019
Summary Statement of Comprehensive Income	£	£
Turnover	1,992,974	2,001,152
Expenses	(1,976,145)	(1,937,754)
Profit before tax	16,829	63,398
Taxation	(2,561)	(3,669)
Net profit	14,268	59,729

	2020	2019
The assets and liabilities of the subsidiary were:	£	£
Fixed assets	28,568	31,237
Current assets	191,934	246,132
Creditors: amounts falling due within one year	(212,230)	(207,637)
Deferred tax	(3,893)	(4,903)
Total net assets	4,379	64,829
Aggregated share capital and reserves	4,379	64,829

16 Stocks

	Group 2020 £	2019 £	Charity 2020 £	2019 £
Finished goods and goods for resale	14,234	29,046	4,676	6,152
	14,234	29,046	4,676	6,152

17 Debtors

Amounts falling due within one year:	Group 2020 £	2019 £	Charity 2020 £	2019 £
Trade debtors	54,129	61,000	30,225	60,790
Other debtors	-	12,908	-	12,908
Prepayments and accrued income	82,549	158,903	56,977	143,431
	136,678	232,811	87,202	217,129

18 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Charity 2020 £	2019 £
Bank loans	20	61,687	122,089	61,687	122,089
Trade creditors		216,451	371,935	190,307	325,999
Amounts due to fellow group undertakings		-	-	54,109	93,628
Other taxation and social security		164,002	216,409	74,616	113,433
Corporation tax payable		3,571			
Other creditors		36,303	46,618	36,303	46,619
Accruals		214,637	225,912	167,914	167,187
Deferred income	21	234,249	133,534	187,844	133,534
		930,900	1,116,497	772,780	1,002,489

19 Creditors: amounts falling due after more than one year

Group and charity	Notes	2020 £	2019 £
Bank loans	20	485,276	548,572

20 Borrowings

Group and charity	2020 £	2019 £
Bank loans	546,963	670,661
Payable within one year	61,687	122,089
Payable after one year	485,276	548,572
Amounts included above which fall due after five years:		
Payable by instalments	162,115	199,050

Loans are held with HSBC and Newcastle City Council. The loans with HSBC are due for repayment May 2021 and August 2021 with interest rates of 3.8% and 4.3% respectively. The loans with Newcastle City Council are due for repayment April 2027 with interest rates of 4.87% and 3.43% respectively. The loans are secured on the leasehold property. Subsequent to the year end, payment holidays were agreed with both lenders as a result of the COVID pandemic.

21 Deferred income

Group and charity	2020 £	2019 £
Balance as at 1 April	133,534	111,641
Released from previous years	(133,534)	(111,641)
Resources deferred in the year	234,249	133,534
Balance carried forward at 31 March	234,249	133,534

22 Provisions for liabilities

	2020 £	2019 £
Deferred tax liabilities	224	1,234
	224	1,234

23 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	54,545	143,464
Carrying amount of financial liabilities		
Measured at amortised cost	1,014,355	1,315,126

24 Analysis of charitable funds

For the year ended 31 March 2020:

Group	Balance at 1 April 2019	Movement in funds: Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Unrestricted funds					
General funds	(55,087)	4,358,662	(4,346,654)	17,046	(26,033)
	(55,087)	4,358,662	(4,346,654)	17,046	(26,033)
Restricted funds					
Capital development	3,358,716	-	(405,617)	-	2,953,099
Arts Council	17,046	124,271	(124,271)	(17,046)	-
Project grants	-	433,787	(433,787)	-	-
	3,375,762	558,058	(963,675)	(17,046)	2,953,099
Total funds	3,320,675	4,916,720	(5,310,329)	-	2,927,066

For the year ended 31 March 2020:

Charity	Balance at 1 April 2019	Movement in funds: Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Unrestricted funds					
General funds	(123,585)	2,721,954	(2,649,496)	17,046	(34,081)
	(123,585)	2,721,954	(2,649,496)	17,046	(34,081)
Restricted funds					
Capital development	3,358,716	-	(405,617)	-	2,953,099
Arts Council	17,046	124,271	(124,271)	(17,046)	-
Project grants	-	433,787	(433,787)	-	-
	3,375,762	558,058	(963,675)	(17,046)	2,953,099
Total funds	3,252,177	3,280,012	(3,613,171)	-	2,919,018

24 Analysis of charitable funds (continued)

For the year ended 31 March 2019:

Group	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	Balance at 31 March 2019
		Movement in funds			
	£	£	£	£	£
Unrestricted funds					
General funds	(84,042)	4,379,057	(4,350,102)	-	(55,087)
	(84,042)	4,379,057	(4,350,102)	-	(55,087)
Restricted funds					
Capital development	3,771,608	-	(412,892)	-	3,358,716
Arts Council	-	141,321	(124,275)	-	17,046
Project grants	-	241,260	(241,260)	-	-
	3,771,608	382,581	(778,427)	-	3,375,762
Total funds	3,687,566	4,761,638	(5,128,529)	-	3,320,675

For the year ended 31 March 2019:

Charity	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	Balance at 31 March 2019
		Movement in funds			
	£	£	£	£	£
Unrestricted funds					
General funds	(245,421)	2,784,174	(2,662,338)	-	(123,585)
	(245,421)	2,784,174	(2,662,338)	-	(123,585)
Restricted funds					
Capital development	3,771,608	-	(412,892)	-	3,358,716
Arts Council	-	141,321	(124,275)	-	17,046
Project grants	-	241,260	(241,260)	-	-
	3,771,608	382,581	(778,427)	-	3,375,762
Total funds	3,526,187	3,166,755	(3,440,765)	-	3,252,177

The specific purposes for which the funds are to be applied are as follows:

General reserves - the general reserves represent the free funds of the charity which are not designated for any particular purpose.

Restricted funds:
Arts Council - revenue funding to support the digital and creative media arts programme at the Tyneside Cinema.

Capital development fund - capital funding utilised for restoration and refurbishment of Tyneside Cinema. The fund is reduced by the annual depreciation charge.
Project Grants fund – restricted funds related to a number of projects funded through grants awarded by various different funders.

25 Analysis of net assets between funds

	Unrestricted	Restricted General	Total
	£	£	£
Fund balances at 31 March 2020 are represented by:			
Intangible fixed assets	43,090	-	43,090
Tangible assets	913,165	2,953,099	3,866,264
Investments	10,000	-	10,000
Current assets/(liabilities)	(506,788)	-	(503,218)
Long term liabilities	(485,276)	-	(485,276)
Provisions	(224)	-	(1,234)
	(26,033)	2,953,099	2,927,066

	Unrestricted	Restricted General	Total
	£	£	£
Fund balances at 31 March 2019 are represented by:			
Intangible fixed assets	17,860	-	17,860
Tangible assets	991,737	3,375,762	4,367,499
Investments	10,000	-	10,000
Current assets/(liabilities)	(524,878)	-	(524,878)
Long term liabilities	(548,572)	-	(548,572)
Provisions	(1,234)	-	(1,234)
	(55,087)	3,375,762	3,320,675

26 Cash generated from operations

	2020	2019
	£	£
Deficit for the year	(393,609)	(366,891)
Adjustments for:		
Investment income recognised in statement of financial activities	(83)	(226)
Taxation	2,561	62
Amortisation of intangible fixed assets	9,030	10,845
Impairment losses	-	17,400
Depreciation of tangible fixed assets	517,564	521,914
Movements in working capital:		
Decrease/(increase) in stocks	14,812	18,060
Decrease/(increase) in debtors	96,132	163,034
(Decrease)/increase in creditors	(207,617)	(184,148)
Increase/(decrease) in deferred income	100,715	21,893
Cash generated from operations	139,504	201,943

27 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	121,788	138,873
Between two and five years	217,074	357,191
In over five years	937	-
	339,799	496,064

28 Financial commitments, guarantees and contingent liabilities

Grants receivable from the European Regional Development Fund, Arts Council England, BFI and Heritage Lottery Fund are repayable if the charity fails to keep to the terms of the agreement with the grant funders, undergoes a significant change in status, ceases to operate or is declared insolvent within the period to 2028 for the European Regional Development Fund and 2031 for the Heritage Lottery Fund. The restricted funds relating to these grants are shown in note 24. Annual depreciation regarding the property is being charged annually against the restricted funds.

The agreement with Heritage Lottery Fund is secured by legal charges over the leasehold property at 10 Pilgrim Street, Newcastle upon Tyne.

29 Legal status of the charity

The charity is a charity limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

30 Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation or Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

31 Related party transactions

The charity has taken the exemption contained within FRS 102 for disclosing transactions with its wholly owned subsidiary as consolidated financial statements are prepared.