

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

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# Tyneside Cinema

## Reference and Administrative Details

<b>Trustees</b>	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
<b>Secretary</b>	N Morgan
<b>Key Management Personnel</b>	S Drysdale, Chief executive officer N Morgan, Head of finance and administration
<b>Registered Office</b>	Newe House 10 Pilgrim Street Newcastle upon Tyne NE1 6QG
<b>Company Registration Number</b>	01113101
<b>Charity Registration Number</b>	502592
<b>Solicitors</b>	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne Tyne And Wear NE1 4BF
<b>Bankers</b>	HSBC Bank plc Newcastle Upon Tyne 110 Grey Street Newcastle upon Tyne NE1 6JG
<b>Auditor</b>	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.

# 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 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.

# 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**

#### **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.



# **Tyneside Cinema**

## **Trustees' Report**

**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.

# Tyneside Cinema

## Trustees' Report

### 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.

# Tyneside Cinema

## Trustees' Report

### ***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

# Tyneside Cinema

## 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.

## Tyneside Cinema

### 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](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 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 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 £
<b>Income and Endowments from:</b>					
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		<u>3,596,153</u>	<u>312,831</u>	<u>3,908,984</u>	<u>2,279,840</u>
<b>Expenditure on:</b>					
Raising funds	7	(1,255,165)	-	(1,255,165)	(990,786)
Charitable activities	8	<u>(1,516,911)</u>	<u>(718,448)</u>	<u>(2,235,359)</u>	<u>(1,984,485)</u>
Total Expenditure		<u>(2,772,076)</u>	<u>(718,448)</u>	<u>(3,490,524)</u>	<u>(2,975,271)</u>
Net income/(expenditure)		<u>824,077</u>	<u>(405,617)</u>	<u>418,460</u>	<u>(695,431)</u>
Net movement in funds		824,077	(405,617)	418,460	(695,431)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>(315,847)</u>	<u>2,547,482</u>	<u>2,231,635</u>	<u>2,927,066</u>
Total funds carried forward	21	<u>508,230</u>	<u>2,141,865</u>	<u>2,650,095</u>	<u>2,231,635</u>

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 £
<b>Income and Endowments from:</b>				
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		<u>1,936,816</u>	<u>343,024</u>	<u>2,279,840</u>
<b>Expenditure on:</b>				
Raising funds	7	(990,786)	-	(990,786)
Charitable activities	8	<u>(1,235,844)</u>	<u>(748,641)</u>	<u>(1,984,485)</u>
Total expenditure		<u>(2,226,630)</u>	<u>(748,641)</u>	<u>(2,975,271)</u>
Net expenditure		<u>(289,814)</u>	<u>(405,617)</u>	<u>(695,431)</u>
Net movement in funds		(289,814)	(405,617)	(695,431)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>(26,033)</u>	<u>2,953,099</u>	<u>2,927,066</u>
Total funds carried forward	21	<u><u>(315,847)</u></u>	<u><u>2,547,482</u></u>	<u><u>2,231,635</u></u>

# Tyneside Cinema

(Registration number: 01113101)

## Consolidated Balance Sheet as at 31 March 2022

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

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

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 £
<b>Cash flows from operating activities</b>			
Net cash income/(expenditure)		418,460	(695,431)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	7	486,127	500,678
Amortisation	7	<u>18,762</u>	<u>17,194</u>
		923,349	(177,559)
<b>Working capital adjustments</b>			
(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		<u>-</u>	<u>(3,795)</u>
Net cash flows from operating activities		<u>1,026,196</u>	<u>(496,532)</u>
<b>Cash flows from investing activities</b>			
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		<u>9,210</u>	<u>-</u>
Net cash flows from investing activities		(115,182)	(26,887)
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	17	<u>(102,367)</u>	<u>572,846</u>
Net increase in cash and cash equivalents		808,647	49,427
Cash and cash equivalents at 1 April		<u>322,627</u>	<u>273,200</u>
Cash and cash equivalents at 31 March		<u><u>1,131,274</u></u>	<u><u>322,627</u></u>

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 2022

### 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).

# Tyneside Cinema

## Notes to the Financial Statements for the Year Ended 31 March 2022

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.

# Tyneside Cinema

## Notes to the Financial Statements for the Year Ended 31 March 2022

### ***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.

# Tyneside Cinema

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 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.



# Tyneside Cinema

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 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

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>
Grants received	1,733,880	312,831	2,046,711
General donations	22,493	-	22,493
	<u>1,756,373</u>	<u>312,831</u>	<u>2,069,204</u>
	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>
Grants received	737,284	343,024	1,080,308
General donations	75,077	-	75,077
	<u>812,361</u>	<u>343,024</u>	<u>1,155,385</u>

### 4 Income from charitable activities

	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>
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
	<u>792,576</u>	<u>792,576</u>
	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>
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
	<u>376,733</u>	<u>376,733</u>

# Tyneside Cinema

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 5 Income from other trading activities

	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>
Other trading activities	647,859	647,859
	<u>647,859</u>	<u>647,859</u>
	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>
Other trading activities	5,503	5,503
	<u>5,503</u>	<u>5,503</u>

Other trading activities include sponsorship income of £Nil (2021: £288) and food and drink sales of £647,859 (2021: £5,215).

### 6 Other income

	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>
Insurance claim income	315,938	315,938
Coronavirus Job Retention Scheme	83,407	83,407
	<u>399,345</u>	<u>399,345</u>
	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>
Coronavirus Job Retention Scheme	742,219	742,219
	<u>742,219</u>	<u>742,219</u>

## Tyneside Cinema

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 7 Expenditure on raising funds

	<b>Direct costs</b>	<b>Allocated support costs</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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
	<u>779,298</u>	<u>475,867</u>	<u>1,255,165</u>
	<b>Direct costs</b>	<b>Allocated support costs</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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
	<u>585,266</u>	<u>405,520</u>	<u>990,786</u>

#### 8 Expenditure on charitable activities

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2022</b>
	<b>General</b>	<b>£</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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
	<u>1,516,911</u>	<u>718,448</u>	<u>2,235,359</u>

## Tyneside Cinema

### Notes to the Financial Statements for the Year Ended 31 March 2022

	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
	<u>1,235,844</u>	<u>748,641</u>	<u>1,984,485</u>

#### 9 Trustees remuneration and expenses

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

# Tyneside Cinema

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 10 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	1,346,831	1,395,127
Social security costs	94,217	100,241
Pension costs	22,103	24,217
	<u>1,463,151</u>	<u>1,519,585</u>

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
	<u>77</u>	<u>95</u>

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	-
	<u>1</u>	<u>-</u>

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.

# Tyneside Cinema

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 12 Intangible fixed assets

#### Group

	Goodwill £	Website £	Total £
<b>Cost</b>			
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
<b>Amortisation</b>			
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
<b>Net book value</b>			
At 31 March 2022	-	13,385	13,385
At 31 March 2021	-	47,713	47,713

#### Charity

	Website £	Total £
<b>Cost</b>		
At 1 April 2021	85,162	85,162
Additions	180	180
Disposals	(29,486)	(29,486)
At 31 March 2022	55,856	55,856
<b>Amortisation</b>		
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
<b>Net book value</b>		
At 31 March 2022	13,385	13,385
At 31 March 2021	47,713	47,713

# Tyneside Cinema

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 13 Tangible fixed assets

#### Group

	Leasehold land and buildings £	Fixtures and fittings £	Cinema technical equipment £	Total £
<b>Cost</b>				
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	<u>8,523,512</u>	<u>321,063</u>	<u>138,262</u>	<u>8,982,837</u>
<b>Depreciation</b>				
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	<u>5,734,981</u>	<u>141,794</u>	<u>90,784</u>	<u>5,967,559</u>
<b>Net book value</b>				
At 31 March 2022	<u>2,788,531</u>	<u>179,269</u>	<u>47,478</u>	<u>3,015,278</u>
At 31 March 2021	<u>3,026,978</u>	<u>2,231</u>	<u>341,448</u>	<u>3,370,657</u>



# Tyneside Cinema

## Notes to the Financial Statements for the Year Ended 31 March 2022

### Charity

	Leasehold land and buildings £	Fixtures and fittings £	Cinema technical equipment £	Total £
<b>Cost</b>				
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
<b>Depreciation</b>				
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
<b>Net book value</b>				
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 £
<b>Cost or Valuation</b>		
At 1 April 2021	10,000	10,000
At 31 March 2022	10,000	10,000
<b>Net book value</b>		
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

## Tyneside Cinema

### Notes to the Financial Statements for the Year Ended 31 March 2022

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	<u>59,380</u>	<u>(280,756)</u>

The assets and liabilities of the subsidiary 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	<u>(216,997)</u>	<u>(276,377)</u>

#### 15 Stock

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Stocks	<u>21,757</u>	<u>12,413</u>	<u>-</u>	<u>-</u>

## Tyneside Cinema

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 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
	<u>344,905</u>	<u>259,839</u>	<u>487,727</u>	<u>343,583</u>

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
	<u>1,032,029</u>	<u>847,080</u>	<u>798,072</u>	<u>711,844</u>

## Tyneside Cinema

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 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	<u>(203,770)</u>	<u>(219,249)</u>
Deferred income at year end	<u>146,943</u>	<u>203,770</u>

##### 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	<u>(189,431)</u>	<u>(219,249)</u>
Deferred income at year end	<u>109,996</u>	<u>189,431</u>

#### 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	<u>457,809</u>	<u>394,117</u>	<u>457,809</u>	<u>394,117</u>
	<u>854,475</u>	<u>944,534</u>	<u>771,142</u>	<u>838,284</u>

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.

# Tyneside Cinema

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 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 £
<b>Other</b>		
Within one year	153,095	144,126
Between one and five years	429,727	449,937
After five years	300,510	358,323
	<u>883,332</u>	<u>952,386</u>

### 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.

# Tyneside Cinema

## 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 £
<b>Unrestricted funds</b>					
<i>General</i>					
General funds	(470,747)	3,596,153	(2,772,076)	(759,041)	(405,711)
Designated funds	154,900	-	-	759,041	913,941
	<u>(315,847)</u>	<u>3,596,153</u>	<u>(2,772,076)</u>	<u>-</u>	<u>508,230</u>
<b>Restricted funds</b>					
Capital development	2,547,482	-	(405,617)	-	2,141,865
Arts Council	-	66,457	(66,457)	-	-
Project grants	-	246,374	(246,374)	-	-
<b>Total restricted funds</b>	<u>2,547,482</u>	<u>312,831</u>	<u>(718,448)</u>	<u>-</u>	<u>2,141,865</u>
<b>Total funds</b>	<u>2,231,635</u>	<u>3,908,984</u>	<u>(3,490,524)</u>	<u>-</u>	<u>2,650,095</u>

#### Charity

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
<i>General</i>					
General funds	(196,674)	2,634,263	(1,867,259)	(759,041)	(188,711)
Designated funds	154,900	-	-	759,041	913,941
	<u>(41,774)</u>	<u>2,634,263</u>	<u>(1,867,259)</u>	<u>-</u>	<u>725,230</u>
<b>Restricted funds</b>					
Capital development	2,547,482	-	(405,617)	-	2,141,865
Arts Council	-	66,457	(66,457)	-	-
Project grants	-	246,374	(246,374)	-	-
<b>Total restricted funds</b>	<u>2,547,482</u>	<u>312,831</u>	<u>(718,448)</u>	<u>-</u>	<u>2,141,865</u>
<b>Total funds</b>	<u>2,505,708</u>	<u>2,947,094</u>	<u>(2,585,707)</u>	<u>-</u>	<u>2,867,095</u>

## Tyneside Cinema

### Notes to the Financial Statements for the Year Ended 31 March 2022

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		Restricted	Total funds
	General	Designated		
	£	£	£	£
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	<u>(405,711)</u>	<u>913,941</u>	<u>2,141,865</u>	<u>2,650,095</u>

	Unrestricted			Total funds
	General	Designated	Restricted	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	<u>(470,747)</u>	<u>154,900</u>	<u>2,547,482</u>	<u>2,231,635</u>

# Tyneside Cinema

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 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	<u>(944,534)</u>	<u>90,059</u>	<u>(854,475)</u>
Net funds/(debt)	<u>(817,185)</u>	<u>931,016</u>	<u>113,831</u>

#### 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	<u>(838,284)</u>	<u>67,142</u>	<u>(771,142)</u>
Net funds/(debt)	<u>(672,371)</u>	<u>749,382</u>	<u>77,011</u>

### 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.