

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

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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.

Tyneside Cinema

Trustees' Report

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.

Tyneside Cinema

Trustees' Report

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).

Tyneside Cinema

Trustees' Report

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.

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 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 on03 December 2024 and signed on its behalf by:


...James Beirne 03.Dec.2024 10:23:00 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 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.

Tyneside Cinema

Independent Auditor's Report to the Members of Tyneside Cinema

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:03-Dec-2024 10:37:05 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		<u>2,563,235</u>	<u>241,320</u>	<u>2,804,555</u>	<u>3,908,984</u>
Expenditure on:					
Raising funds	8	(1,539,945)	(195,107)	(1,735,052)	(1,255,165)
Charitable activities	9	<u>(1,796,266)</u>	<u>(492,678)</u>	<u>(2,288,944)</u>	<u>(2,235,359)</u>
Total Expenditure		<u>(3,336,211)</u>	<u>(687,785)</u>	<u>(4,023,996)</u>	<u>(3,490,524)</u>
Net (expenditure)/income		(772,976)	(446,465)	(1,219,441)	418,460
Transfers between funds		<u>(40,847)</u>	<u>40,847</u>	<u>-</u>	<u>-</u>
Net movement in funds		(813,823)	(405,618)	(1,219,441)	418,460
Reconciliation of funds					
Total funds brought forward		<u>508,230</u>	<u>2,141,865</u>	<u>2,650,095</u>	<u>2,231,635</u>
Total funds carried forward	23	<u>(305,593)</u>	<u>1,736,247</u>	<u>1,430,654</u>	<u>2,650,095</u>

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
		<u>2,567,294</u>	<u>3,038,663</u>
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
		<u>515,715</u>	<u>1,497,936</u>
Creditors: Amounts falling due within one year	19	<u>(916,879)</u>	<u>(1,032,029)</u>
Net current (liabilities)/assets		<u>(401,164)</u>	<u>465,907</u>
Total assets less current liabilities		2,166,130	3,504,570
Creditors: Amounts falling due after more than one year	20	<u>(735,476)</u>	<u>(854,475)</u>
Net assets		<u>1,430,654</u>	<u>2,650,095</u>
Funds of the group:			
Restricted income funds			
Restricted funds	23	1,736,247	2,141,865
Unrestricted income funds			
Unrestricted funds		<u>(305,593)</u>	<u>508,230</u>
Total funds	23	<u>1,430,654</u>	<u>2,650,095</u>

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:



 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
		<u>2,490,611</u>	<u>2,962,461</u>
Current assets			
Debtors	18	466,670	487,727
Cash at bank and in hand		97,857	986,121
		<u>564,527</u>	<u>1,473,848</u>
Creditors: Amounts falling due within one year	19	<u>(671,013)</u>	<u>(798,072)</u>
Net current (liabilities)/assets		<u>(106,486)</u>	<u>675,776</u>
Total assets less current liabilities		2,384,125	3,638,237
Creditors: Amounts falling due after more than one year	20	<u>(677,143)</u>	<u>(771,142)</u>
Net assets		<u>1,706,982</u>	<u>2,867,095</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	23	1,736,247	2,141,865
Unrestricted income funds			
Unrestricted funds		<u>(29,265)</u>	<u>725,230</u>
Total funds	23	<u>1,706,982</u>	<u>2,867,095</u>

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 Beime 03 Dec 2024 10:23:00 GMT (UTC+0)
 J P Beime
 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	<u>11,321</u>	<u>18,762</u>
		(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	<u>(69,085)</u>	<u>197,257</u>
Net cash flows from operating activities		<u>(572,651)</u>	<u>1,026,196</u>
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		<u>933</u>	<u>9,210</u>
Net cash flows from investing activities		(34,115)	(115,182)
Cash flows from financing activities			
Repayment of loans and borrowings	19	<u>(165,064)</u>	<u>(102,367)</u>
Net (decrease)/increase in cash and cash equivalents		(771,830)	808,647
Cash and cash equivalents at 1 April		<u>1,131,274</u>	<u>322,627</u>
Cash and cash equivalents at 31 March		<u><u>359,444</u></u>	<u><u>1,131,274</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 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.

Tyneside Cinema

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

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.

Tyneside Cinema

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

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.

Tyneside Cinema

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

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).

Tyneside Cinema

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

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.

Tyneside Cinema

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

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
	<u>164,452</u>	<u>241,320</u>	<u>405,772</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
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>

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
	<u>1,310,534</u>	<u>1,310,534</u>
	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
	<u>792,576</u>	<u>792,576</u>

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
	<u>1,078,991</u>	<u>1,078,991</u>
	Unrestricted funds General £	Total 2022 £
Other trading activities	647,859	647,859
	<u>647,859</u>	<u>647,859</u>

7 Other income

	Unrestricted funds General £	Total 2023 £
Insurance claim income	9,258	9,258
	<u>9,258</u>	<u>9,258</u>
	Unrestricted funds General £	Total 2022 £
Insurance claim income	315,938	315,938
Coronavirus Job Retention Scheme	83,407	83,407
	<u>399,345</u>	<u>399,345</u>

Tyneside Cinema

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

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
Depreciation	22,520	232,277	254,797
Other costs of generating funds	-	370,859	370,859
	<u>1,131,916</u>	<u>603,136</u>	<u>1,735,052</u>
	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
	<u>779,298</u>	<u>475,867</u>	<u>1,255,165</u>

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

9 Expenditure on charitable activities

	Unrestricted funds	Restricted	Total
	General - Direct Activity	funds	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
	<u>1,796,266</u>	<u>492,678</u>	<u>2,288,944</u>

Tyneside Cinema

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

	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
	<u>1,671,687</u>	<u>563,672</u>	<u>2,235,359</u>

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
	<u>118,280</u>	<u>484,856</u>	<u>603,136</u>

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

Tyneside Cinema

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

Support costs allocated to charitable activities

	Governance costs £	Administration costs £	Premises costs including depreciation £	Total 2023 £
Deprecation	-	-	250,614	250,614
Operating easements	-	-	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
	<u>19,466</u>	<u>127,615</u>	<u>523,136</u>	<u>670,217</u>
	Governance costs £	Administration costs £	Premises costs including depreciation £	Total 2022 £
Deprecation	-	-	304,424	304,424
Operating easements	-	-	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
	<u>29,787</u>	<u>115,941</u>	<u>638,804</u>	<u>784,532</u>

11 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 2023

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
	<u>1,815,638</u>	<u>1,463,151</u>

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
	<u>79</u>	<u>77</u>

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.

Tyneside Cinema

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

14 Intangible fixed assets

Group

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

Charity

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

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

Tyneside Cinema

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

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

Tyneside Cinema

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

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	-	-

Tyneside Cinema

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

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
	<u>135,218</u>	<u>344,905</u>	<u>466,670</u>	<u>487,727</u>

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
	<u>916,879</u>	<u>1,032,029</u>	<u>671,013</u>	<u>798,072</u>

Tyneside Cinema

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

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	<u>(146,943)</u>	<u>(203,770)</u>
Deferred income at year end	<u>25,824</u>	<u>146,943</u>

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

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	<u>457,809</u>	<u>457,809</u>	<u>457,809</u>	<u>457,809</u>
	<u>735,476</u>	<u>854,475</u>	<u>677,143</u>	<u>771,142</u>

Tyneside Cinema

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

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 2023 £	2022 £	Charity 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
	<u>872,155</u>	<u>875,833</u>	<u>779,431</u>
Other			
Within one year	3,713	3,067	3,067
Between one and five years	2,215	4,432	4,432
	<u>5,928</u>	<u>7,499</u>	<u>7,499</u>

Tyneside Cinema

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

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.

Tyneside Cinema

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

23 Funds

Group

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
<i>General</i>					
General funds	(405,711)	2,563,235	(3,336,211)	873,094	(305,593)
Designated funds	913,941	-	-	(913,941)	-
	<u>508,230</u>	<u>2,563,235</u>	<u>(3,336,211)</u>	<u>(40,847)</u>	<u>(305,593)</u>
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	<u>2,141,865</u>	<u>241,320</u>	<u>(687,785)</u>	<u>40,847</u>	<u>1,736,247</u>
Total funds	<u>2,650,095</u>	<u>2,804,555</u>	<u>(4,023,996)</u>	<u>-</u>	<u>1,430,654</u>

Charity

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
<i>General</i>					
General funds	(188,711)	1,364,775	(2,078,423)	873,094	(29,265)
Designated funds	913,941	-	-	(913,941)	-
	<u>725,230</u>	<u>1,364,775</u>	<u>(2,078,423)</u>	<u>(40,847)</u>	<u>(29,265)</u>
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	<u>2,141,865</u>	<u>241,320</u>	<u>(687,785)</u>	<u>40,847</u>	<u>1,736,247</u>
Total funds	<u>2,867,095</u>	<u>1,606,095</u>	<u>(2,766,208)</u>	<u>-</u>	<u>1,706,982</u>

Tyneside Cinema

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

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			Total funds at 31 March 2022 £
	General £	Designated £	Restricted £	
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

Tyneside Cinema

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

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	<u>(854,475)</u>	<u>118,999</u>	<u>(735,476)</u>
Net debt	<u>113,831</u>	<u>(606,766)</u>	<u>(492,935)</u>

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	<u>(771,142)</u>	<u>93,999</u>	<u>(677,143)</u>
Net debt	<u>77,011</u>	<u>(748,200)</u>	<u>(671,189)</u>

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		<u>3,596,153</u>	<u>312,831</u>	<u>3,908,984</u>
Expenditure on:				
Raising funds	8	(1,067,329)	(187,836)	(1,255,165)
Charitable activities	9	<u>(1,704,747)</u>	<u>(530,612)</u>	<u>(2,235,359)</u>
Total expenditure		<u>(2,772,076)</u>	<u>(718,448)</u>	<u>(3,490,524)</u>
Net income/(expenditure)		<u>824,077</u>	<u>(405,617)</u>	<u>418,460</u>
Net movement in funds		824,077	(405,617)	418,460
Reconciliation of funds				
Total funds brought forward		<u>(315,847)</u>	<u>2,547,482</u>	<u>2,231,635</u>
Total funds carried forward	23	<u><u>508,230</u></u>	<u><u>2,141,865</u></u>	<u><u>2,650,095</u></u>