

**PLYMOUTH ARTS CENTRE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**PLYMOUTH ARTS CENTRE  
(A COMPANY LIMITED BY GUARANTEE)**

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**PLYMOUTH ARTS CENTRE  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Trustees**  
A Butler (resigned 7 October 2021)  
A Brewerton  
T Griffiths  
J Noble  
A Piccini (appointed 5 May 2020)  
P Woods (resigned 14 May 2021)  
Z Newall (appointed 9 February 2021)  
P Brookes (appointed 21 May 2021)  
S Owens (appointed 7 October 2021)

**Company registered  
number** 02324916

**Charity registered  
number** 800664

**Registered office**  
C/O Plymouth College of Art  
Tavistock Place  
Plymouth  
Devon  
PL4 8AT

**Company secretary** M Le Tual

**Accountants**  
Bishop Fleming LLP  
Chartered Accountants  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

**Bankers**  
Lloyds Bank Plc  
8 Royal Parade  
Plymouth  
Devon  
PL1 1HB



**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees present their report and the unaudited financial statements for the year ended 31st March 2021.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**CHAIRMAN'S REPORT**

Since January 2019, Plymouth Arts Centre has been trading as Plymouth Arts Cinema (PAC) and is now exclusively focusing its activities on independent cinema.

2020-2021 was the second year of operation in PAC's new, larger venue based at Plymouth College of Art but due to the Covid-19 pandemic and the resulting interruptions to business activity, PAC was closed to the public for large parts of the year.

After a strong first year in the new venue, the financial year began with the major interruption to business caused by a series of government lockdowns which meant that all business activity in person, in the cinema, was halted between March 14th 2020 - September 26th, from November 5th - December 4th and from January 1st until past the end of this financial year.

During these major periods of closure, activity to promote cinema and audience engagement was moved online with a range of events, screenings, discussions and creative relationships with partners in the UK cinema industry. The Management Team at PAC worked hard to ensure that despite the halt to screenings, there was a continuity of its offer and engagement. Throughout 2020, audiences continued to support the work PAC did online in significant numbers.

Significant funding was achieved via the British Film Institute (BFI)'s Culture Recovery Fund and Plymouth City Council's (PCC) Business Interruption Grant, and the Government Job Retention Scheme allowed non-essential staff to be furloughed for the duration of closures.

**OBJECTIVES AND ACTIVITIES**

**a. OBJECTIVES**

The Objectives for which the Association is established are to promote the education of the public in the practice and appreciation of the arts and letters in the City of Plymouth and the surrounding district within the Counties of Devon and Cornwall. Founded in 1947, PAC occupies a key place in the cultural life of the city.

**b. ACTIVITIES FOR ACHIEVING OBJECTIVES**

**Mission** - PAC fosters and delivers distinctive and inspirational contemporary cinema. We want our vibrant programme to excite, challenge and inspire everyone who encounters it and we want to engage as many people as possible. Our visitors will find unexpected and thought-provoking ideas in a sociable space with a warm welcome.

**Values** - We strive to be

Open – by inviting people in to work with us, to lead on and respond to new ideas and partnerships; keeping the social aspects of everything we do at the front of our work.

Inclusive – by presenting a broader programme across a whole range of cinema and other moving image programmes; and tailoring our offer to reflect and develop our audiences from our loyal Friends, to visitors to Plymouth and specific communities in our city and beyond.

Creative – by thinking in unusual ways, working with partners to think and behave differently, to challenge and also to reassure; to see and support our audiences as creative individuals.

Experimental – by seeking new partnerships, trying out new ideas, being brave, examining new trends and leading and stimulating debate.



**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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Excellent – in everything we do. Keeping abreast of new ideas and national and international developments in film culture. We participate in national programmes and engage with other organisations in national conversations around programme developments in the cinema exhibition sector, whilst supporting the local arts ecology and engaging a broad audience in our high quality programme.

**ACHIEVEMENTS AND PERFORMANCE**

PAC continued to develop programming innovations and has consolidated its creative partnerships. During lockdown periods the programme pivoted online immediately to retain and grow audiences. We considered it essential to continue to interact with audiences and stimulate their appetite for cinema.

PAC continued its work with Reclaim the Frame (RTF), the BFI-funded audience development project devised and run by the charity Bird's Eye View to bring ever-greater audiences to films by women to widen and enrich cinema's perspective of the world. The RTF programme pivoted to offer online events including streamed films, director introductions and Q&As.

The creative relationship with The Box (formerly South West Film and Television Archive) continued with the exhibition of film archive content online to enhance core programming ambitions.

A series of Artist Moving Image work was also published on our blog to showcase work by local filmmakers and maintain the breadth of programme normally presented in cinema.

PAC developed new, adapted relationships with several film distributors who created a new model of working while cinemas were closed. Films were offered online and a percentage of ticket sales was directed back at PAC.

PAC developed a strand called Sofa Cinema which ran online for the first 6 months of lockdown in 2020 and attracted wide engagement across the region with audience participants from across the UK. Sofa Cinema created an online community which suggested fortnightly watch parties for specific (easily available via free streaming platforms) film titles and then hosted live discussions on the PAC Facebook page.

The cinema re-opened in late September 2020 with partnership activity with Plymouth Art Weekender, the biennial, city-wide arts festival. Artist Moving Image films from Cine Sisters SW were screened and a charity event with Plymouth Samaritans was part of the opening weekend programme. It was felt that centring those community connections on the opening weekend was an important way to celebrate the resilience of local creatives and communities during a period of uncertainty and change, and remind audiences of what they had missed, what cinema can do and what film can represent.

Core cinema programming in-cinema in autumn 2020 continued to develop strong audience figures relative to the socially distanced seating required and successfully re-engaged audiences as far as was possible. Open Air Cinema activity and engagement was halted in 2020 but it was much missed and audience anticipation for renewed activity in 2021 is high. PAC is seen as the leader in open air cinema activity in the city.

The periods of lockdown also allowed the Senior Management Team (SMT) to pause and re-evaluate some of the ways PAC offered accessible cinema and the intention moving forward is to increase accessible cinema options with more captioned screenings embedded within the core programme.

**REVIEW OF ACTIVITIES**

In 2020 – 21 PAC had:

- 25 events (21 films + 4 Plymouth Art Weekender events) in cinema
- 62 screenings and 868 tickets issued, for an average 60% occupancy rate of the reduced capacity in place
- 24 virtual films, including 16 RTF
- 10 Sofa Cinema events
- 15 Shared virtual screenings with Modern Films



**PLYMOUTH ARTS CENTRE  
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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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Other virtual film partnerships: YourScreen, 10% off Curzon Home Cinema, 3 Months Free MUBI, 3 Months Free BFI Player

**Virtual Festivals**

Amplify!

French Film Festival Online

Iris on the Move

Feminista Film Festival

Sheffield Adventure Film Festival

Dochouse

Bertha Dochouse films for Black History Month

30 Blogs

Facebook - 10,995 followers

Twitter - 10k followers

Instagram - 3,556 followers

30 volunteers, supporting cinema ushering, event stewarding and programme marketing

**FINANCIAL REVIEW**

**a. GOING CONCERN**

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**b. ACTIVITY**

PAC's usual income-generating activities (indoor and outdoor cinema screenings generating ticket sales, bar sales and sponsorships) could not take place for most of the financial year (the cinema was closed for 10 out of 12 months). However the level of donation and grant income available ensured a total income of £181,571 for the year. This is £60,030 less than 2020 income levels (£241,601), however expenditure was also significantly reduced to a total of £166,873 for the year ended 31st March 2021 (a reduction of £80,343 from 2020 expenditure levels of £247,216). Despite the challenging economic environment, PAC was therefore able to meet all of its financial obligations during the year ended 31st March 2021 and generate a net income of £14,698, thus increasing the surplus brought forward from 2020 (£27,210) to £41,908.

**c. RESERVES POLICY**

PAC's reserve's policy is to have unrestricted funds, not committed in designated funds or fixed assets, approximately equal to six months of the charity's overheads, which equates in the new operations to some £85,000. At the year end the unrestricted free reserves were £41,908. This is below the target and mainly reflects the significant exceptional costs of moving location and restructuring. The Trustees intend to rebuild the reserves over a suitable period.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a. CONSTITUTION**

PAC is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19th March 2019. It is registered as a charity with the Charity Commission.

**b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

As set out in the Articles of Association, the Directors may appoint a person who is willing to act as a Director. The term of office of an individual appointed as a Director is 3 consecutive years from the date of his or her appointment. The individual and the Directors may agree to extend the term of office for a further 3 years, or



**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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for such period that the individual and the Directors may agree. The Directors appoint the Chair of the Board of Directors and may at any time revoke such appointment. The Directors also have the power to co-opt further members to fill specialist roles such as Treasurer and Deputy Chair.

**c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

New Trustees undergo an orientation meeting to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction process they meet key employees and other Trustees. This wasn't possible during lockdown but appropriate "catch up" action will take place.

**d. PAY POLICY FOR SENIOR STAFF**

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Charity to the key management personnel. The key management personnel is comprised of Anna Navas, Executive Director and Film Programmer, who implements the policies laid down by the Trustees and reports back to them on performance. Further details regarding key management personnel are disclosed in note 8. Remuneration for senior staff is reviewed and approved by the Board of Trustees.

**e. ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The Board of Trustees, which must have a minimum of three and there is no maximum, administers the Charity. The Board normally meets on a bi monthly basis. An Executive Director and Film Programmer is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Executive Director and Film Programmer has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and artistic performance related activity.

The board of trustees make up a dynamic group with a range of skills reflecting our activities. Across the Board our specialist areas include media, arts management, contemporary art, cinema and moving image, architecture, financial and education.

**f. RELATED PARTY RELATIONSHIPS**

None of our Trustees receive remuneration or other benefit from their work with the Charity.

**g. RISK MANAGEMENT**

The management committee has conducted its own review of the major risks to which the charity is exposed, and systems have been established to mitigate those risks. Significant external risks include:

**Funding**

PAC has two main revenue funding sources:

Plymouth City Council continues to support at a reduced level of £20,000 per year for three years and British Film Institute funding is £35,000 for two years.

**Site/Accessibility**

PAC is now housed within Plymouth College of Art and has full accessibility with wheelchair access to all PAC levels and disabled toilet facilities.

**Internal risks**

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity. Risk assessments are reviewed as part of the senior management structure.

**External Risks**

External risks include the existence of two large-chain multiplexes in the city and the proposed opening of another national chain (Everyman) at Royal William Yard which has currently been postponed due to the ongoing effects of the Covid-19 pandemic. PAC monitors audience figures carefully to note any changes due to other cinema activity in the city. Marketing strategies are developed to strengthen PAC audience loyalty and increase visibility. PAC programming is different to mainstream cinema activity and PAC SMT regularly assess any programme changes which can enhance its unique offer in the city.



**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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The ongoing impact of Covid-19 pandemic on the business is being carefully monitored and audience return rates are analysed regularly. Increased communication with regional and national industry bodies (BFI Hub SW and UK Cinema Exhibitors Association) allows for greater understanding of the impact across the sector and better knowledge sharing.

**PLANS FOR FUTURE PERIODS**

**a. FUTURE DEVELOPMENTS**

**Key Objectives to 2022:**

1. To stabilise the business as it emerges from the effects of the global pandemic.
2. To re-engage audiences.
3. To sustain a cultural cinema offer of significance within Plymouth for the wider community, continue to grow our audiences and stakeholder partnerships.
4. To lead the development of independent cinema in Plymouth, and to nurture talent.

**TRUSTEES RESPONSIBILITY STATEMENT**

The Trustees (who are also directors of PAC for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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.

This report was approved by the Trustees, on 9 Dec 2021 and signed on their behalf by:



**Paul Brookes  
Chairman of the Board of Trustees**



**PLYMOUTH ARTS CENTRE  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PLYMOUTH ARTS CENTRE (the  
'Company')**

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

**RESPONSIBILITIES AND BASIS OF REPORT**

As the Trustees of the Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**INDEPENDENT EXAMINER'S STATEMENT**

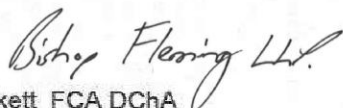
I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I draw your attention to note 1.4 in the accounts relating to the going concern accounting policy. I have no further concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Pamela Tuckett FCA DChA



Dated: 13 December 2021

**BISHOP FLEMING LLP**

Chartered Accountants  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

**PLYMOUTH ARTS CENTRE  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>INCOME FROM:</b>				
Donations and legacies	2	164,555	164,555	82,121
Charitable activities	3	17,016	17,016	159,480
<b>TOTAL INCOME</b>		<b>181,571</b>	<b>181,571</b>	<b>241,601</b>
<b>EXPENDITURE ON:</b>				
Charitable activities		166,873	166,873	247,216
<b>TOTAL EXPENDITURE</b>	6	<b>166,873</b>	<b>166,873</b>	<b>247,216</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>14,698</b>	<b>14,698</b>	<b>(5,615)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>14,698</b>	<b>14,698</b>	<b>(5,615)</b>
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward		27,210	27,210	32,825
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>41,908</b>	<b>41,908</b>	<b>27,210</b>

The notes on pages 10 to 21 form part of these financial statements.



**PLYMOUTH ARTS CENTRE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 02324916**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	£	2021 £	£	2020 £
<b>FIXED ASSETS</b>					
Tangible assets	9		52,872		71,892
<b>CURRENT ASSETS</b>					
Stocks	10	365		632	
Debtors	11	5,050		2,722	
Cash at bank and in hand		57,387		39,626	
		<u>62,802</u>		<u>42,980</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(13,766)</u>		<u>(39,662)</u>	
<b>NET CURRENT ASSETS</b>			<u>49,036</u>		<u>3,318</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>101,908</u>		<u>75,210</u>
<b>CREDITORS: amounts falling due after more than one year</b>	13		<u>(60,000)</u>		<u>(48,000)</u>
<b>NET ASSETS</b>			<u>41,908</u>		<u>27,210</u>
<b>CHARITY FUNDS</b>					
Unrestricted funds	14		<u>41,908</u>		<u>27,210</u>
<b>TOTAL FUNDS</b>			<u>41,908</u>		<u>27,210</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

9 December 2021

*P. K. Brookes*

**P Brookes**

The notes on pages 10 to 21 form part of these financial statements.



**PLYMOUTH ARTS CENTRE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. ACCOUNTING POLICIES**

**1.1 GENERAL INFORMATION**

Plymouth Arts Centre is a company limited by guarantee, registered in England and Wales. Its registered office is C/O Plymouth College of Art, Tavistock Place, Plymouth, PL4 8AT.

**1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Plymouth Arts Centre 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.

**1.3 COMPANY STATUS**

The Company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

**1.4 GOING CONCERN**

The accounts have been prepared on the going concern basis.

The Trustees would like to acknowledge the scale of uncertainties for the twelve months ahead, especially how long it will take for cinema customers to regain their confidence to attend indoor, not socially distanced events. However, the organisation has checks and balances in place. Budget forecasts account for operating the cinema at reduced capacity, compared to pre Covid attendance.

Funding applications submitted to the British Film Institute Culture Recovery Fund and Plymouth City Council, for Covid related grants were successful: PAC received £61,610 from BFI and £13,934 from Plymouth City Council. PAC has been invited to apply for Round 3 of BFI Culture Recovery Fund to further support organisations affected by the Covid-19 crisis for the period running from April to June 2021. PAC was successful in this application, and we expect to receive a further £4,700 in the 2021-2022 financial year.

Outside of Covid related support, PAC received £35k from the BFI Audiences Fund (year two of a three-year annual grant of £35k per year) and £20k as a service Level Agreement from Plymouth City Council (year two of a three year annual SLA grant of £20k per year). Both BFI and PCC annual support payments will run to the end of 2023 under current agreements and PAC will seek to renew and secure these funding agreements beyond 2023.

PAC has created budget forecasts up to the end of 2023 to ensure continuing financial vigilance is embedded in all activity. Trustees receive regular Management Accounts in order to track any changes early and enable the organisation to take any necessary action.

The Trustees therefore consider that the going concern basis remains accurate and are confident that the organisation will continue for at least twelve months from the date upon which these accounts were signed.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 INCOME**

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

For legacies, entitlement is taken as the earlier of the date on which either: the Company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

**Grant and sponsorship income**

Grant income is recognised in the period in which the charity is entitled to the income. This comprises monies received both for core funding and for specific projects.

**Subscriptions and covenants**

These comprise amounts received from the general public in respect of membership fees to the Arts Centre.

**Professional events**

These comprise income from the screening of films in the Arts Centre cinema, and related 'Front of House' sales.

**Reception and shop sales**

These comprise the sale of sundry goods from the Arts Centre shop.

**1.6 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Company, and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Company and compliance with constitutional and statutory requirements.

Charitable activities and governance costs are costs incurred on the Company's operations, including support costs and costs relating to the governance of the Company apportioned to charitable activities.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	20% straight line
Fixtures and fittings	-	15% or 25% straight line
Project and office equipment	-	15% or 25% straight line

**1.8 LEASING AND HIRE PURCHASE**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities incorporating Income and Expenditure Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.9 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.10 STOCKS**

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

**1.11 DEBTORS**

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

**1.12 CASH AT BANK AND IN HAND**

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 LIABILITIES AND PROVISIONS**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**1.14 FINANCIAL INSTRUMENTS**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.15 PENSIONS**

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

**1.16 FUND ACCOUNTING**

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

**1.17 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation rates of fixed assets and the calculation of certain year end accruals. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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**2. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	11,873	11,873	16,659
Grants	122,218	122,218	65,462
Government grants	30,464	30,464	-
	<u>164,555</u>	<u>164,555</u>	<u>82,121</u>
Total donations and legacies			
	<u>164,555</u>	<u>164,555</u>	<u>82,121</u>
Total 2020	<u>82,121</u>	<u>82,121</u>	

Government grants relate to the Coronavirus Job Retention Scheme (CJR3), through which the company has received compensation for part of the wages, associated national insurance contributions and employer pension contributions of employees who have been placed on furlough. There are no unfulfilled conditions or other contingencies relating to the grants.

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Grants receivable	-	-	-	14,466
Professional events	-	12,285	12,285	114,118
Shop	-	-	-	63
Bar takings and commission	-	1,333	1,333	24,384
Membership income	-	3,398	3,398	6,449
	<u>-</u>	<u>17,016</u>	<u>17,016</u>	<u>159,480</u>
Total 2020	<u>14,466</u>	<u>145,014</u>	<u>159,480</u>	



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**4. DIRECT COSTS**

	Total 2021 £	Total 2020 £
Shop expenses	-	9,644
Cinema expenses	7,249	57,373
Project expenses	-	3,600
Grants paid	480	211
Legal and professional fees	10,573	10,692
Bar and catering expenditure	679	641
Wages and salaries	97,750	94,086
National insurance	1,387	2,348
Pension cost	1,570	1,330
	<u>119,688</u>	<u>179,925</u>
Total 2020	<u>179,925</u>	

**5. SUPPORT COSTS**

	Total 2021 £	Total 2020 £
Staff costs	2,344	300
Sundry expenses	(846)	(142)
Marketing	430	3,206
Consultancy and professional fees	-	112
Non-recoverable VAT	-	5,540
IT costs	6,837	14,521
Bad debt expense	393	(941)
Bank charges	597	2,717
Postage and stationery	805	2,728
Laundry and cleaning	1,160	218
Subscriptions	63	194
Repairs and maintenance	2,999	11,640
Travel	-	311
Telephone	3,356	4,139
Insurance	5,429	6,087
Rates	-	(6,177)
Depreciation	19,020	18,600
	<u>42,587</u>	<u>63,253</u>
Total 2020	<u>63,253</u>	

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**6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Arts centre	100,707	19,020	42,548	162,275	243,178
Expenditure on governance	-	-	4,598	4,598	4,038
	<u>100,707</u>	<u>19,020</u>	<u>47,146</u>	<u>166,873</u>	<u>247,216</u>
Total 2020	<u>97,764</u>	<u>18,800</u>	<u>130,652</u>	<u>247,216</u>	

**7. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charity	19,020	18,800
Independent examiner's cost	<u>3,200</u>	<u>3,000</u>

During the year, no Trustees received any remuneration (2020: £NIL).

During the year, no Trustees received any benefits in kind (2020: £NIL).

During the year, no Trustees received any reimbursement of expenses (2020: £NIL).

**8. STAFF COSTS**

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	97,750	94,086
Social security costs	1,387	2,348
Other pension costs	<u>1,570</u>	<u>1,330</u>
	<u>100,707</u>	<u>97,764</u>

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

2021 No.	2020 No.
8	8

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

Total remuneration received by key management personnel (including employers pension contributions and employers national insurance) is £24,262 (2020: £22,430). Trustees are not remunerated for the role as Trustees.



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**9. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Project and office equipment £	Total £
<b>COST OR VALUATION</b>				
At 1 April 2020 and 31 March 2021	94,216	359	817	95,392
<b>DEPRECIATION</b>				
At 1 April 2020	23,500	-	-	23,500
Charge for the year	18,843	54	123	19,020
At 31 March 2021	42,343	54	123	42,520
<b>NET BOOK VALUE</b>				
At 31 March 2021	51,873	305	694	52,872
At 31 March 2020	70,716	359	817	71,892

**10. STOCKS**

	2021 £	2020 £
Finished goods and goods for resale	365	632

**11. DEBTORS**

	2021 £	2020 £
Trade debtors	158	25
Prepayments and accrued income	4,892	2,697
	5,050	2,722

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**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Bank loans and overdrafts	-	12,000
Net obligations under finance leases and hire purchase contracts	-	6,258
Trade creditors	1,060	6,151
Other taxation and social security	3,887	7,741
Other creditors	5,619	4,512
Accruals and deferred income	3,200	3,000
	<u>13,766</u>	<u>39,662</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Other loans	<u>60,000</u>	<u>48,000</u>

Included within the above are amounts falling due as follows:

	2021 £	2020 £
<b>BETWEEN ONE AND TWO YEARS</b>		
Other loans	<u>11,000</u>	<u>12,000</u>
<b>BETWEEN TWO AND FIVE YEARS</b>		
Other loans	<u>36,000</u>	<u>36,000</u>
<b>OVER FIVE YEARS</b>		
Other loans	<u>13,000</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2021 £	2020 £
Repayable by instalments	<u>13,000</u>	<u>-</u>

The loan has been provided interest free and is repayable over a term of 5 years.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
<b>UNRESTRICTED FUNDS</b>				
General funds	27,210	181,571	(166,873)	41,908
<b>RESTRICTED FUNDS</b>				
Restricted Funds	-	-	-	-
Total of funds	27,210	181,571	(166,873)	41,908

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
<b>UNRESTRICTED FUNDS</b>				
General funds	32,825	227,135	(232,750)	27,210
<b>RESTRICTED FUNDS</b>				
Plymouth City Council	-	14,466	(14,466)	-
Total of funds	32,825	241,601	(247,216)	27,210

**SUMMARY OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
General funds	27,210	181,571	(166,873)	41,908
	27,210	181,571	(166,873)	41,908

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**14. STATEMENT OF FUNDS (continued)**

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
General funds	32,825	227,135	(232,750)	27,210
Restricted funds	-	14,466	(14,466)	-
	<u>32,825</u>	<u>241,601</u>	<u>(247,216)</u>	<u>27,210</u>

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2021 £
Tangible fixed assets	52,872
Current assets	62,802
Creditors due within one year	(13,766)
Creditors due in more than one year	(60,000)
	<u>41,908</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2020 £
Tangible fixed assets	71,892
Current assets	42,980
Creditors due within one year	(39,662)
Creditors due in more than one year	(48,000)
	<u>27,210</u>

**16. CONTINGENT LIABILITIES**

The majority of the company's income derives from public body grant funding. In accordance with the funding contracts, there are commonly clauses allowing for the clawback of funding previously made if certain events occur or criteria are not met. In the opinion of the Trustees, this is not likely to occur.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,570 (2020: £1,330). Contributions totalling £Nil (2020: £Nil) were payable to the fund at the Balance Sheet date.

**18. RELATED PARTY TRANSACTIONS**

There were no transactions with related parties during the year.

**19. CONTROLLING PARTY**

The charitable company is controlled by its Trustees.