Wellington
Orbit
Cinema Arts & Community Centre

The Clifton Community Arts Centre Ltd

Annual Report for the year ending 31st December 2021

Society registration number: 32224R

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Directors	Phil Morris-Jones (Chairman) Anne Beresford Rebekah Fozard Bill Graham Fiona Hunter Ray Hughes Liam McClelland Jörg Niehoegen Andy Smith
Manager	Damian Breeze
Registered Office	1 Station Road. Wellington, Telford, Shropshire. Telford. TF1 1BY
Independent Examiner	James Holyoak & Parker Ltd, 1 Knights Court, Archers Way. Battlefield Enterprise Park. Shrewsbury, SY1 3GA
Solicitor	Gowling WLG (UK) LLP Two Snow Hill Birmingham B4 5WR
Bankers	Barclays Bank PLC 23 Church Street Wellington Telford Shropshire TF1 1DQ

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DIRECTORS

THE DIRECTORS WHO HAVE SERVED DURING THE YEAR AND SINCE THE YEAR END WERE AS FOLLOWS:

Phillip Morris-Jones MBE

Starting with one car in 1965, Phil built up and expanded the Company Philjo Motors Ltd to include coaches and self-drive vehicles which he sold in 1992 with a purpose built building, 40 staff and 80 vehicles. Phil has been the founder, member, chairman or president of numerous local charitable and community organisations and has been mayor of Wellington on four occasions. In 2008 he was awarded the MBE for community services.

Fiona Hunter

Fiona has worked for over 60 years in theatre arts and television media and is a founder member of the Board. In her formative years she undertook training in ballet, modern dance and drama and was involved in the West London dance and amateur theatre scene. Locally, Fiona teaches LAMDA (London Academy of Music & Dramatic Art) syllabus examinations, is an Equity member as a Theatre Director, and continues to work as a freelance in theatre and television directing professional and non-professional actors and dancers.

Anne Beresford

Anne grew up in Wellington, where she has fond memories of seeing Fantasia at The Clifton and Dr Doolittle at The Grand Cinema. She is an independent producer working in film and television. She is a graduate of Bristol University and in 2011 she was selected for membership of the prestigious Ateliers du Cinéma Europeén. She was for many years a director of arts space "The Wapping Project" and now chairs the Steering Group for Camden Music Hub.

Andy Smith

Starting his marketing business over 20 years ago, Andy has been delivering marketing solutions to businesses nationally and internationally from his Telford base. In 2013, he started a new venture, which attracted investment and has quickly become the leading business in its sector with more than 40 locations in the UK & Northern Ireland. Andy is married with two grown-up children, a motorcycle and a love for local life.

Liam McClelland

Liam joined the Orbit as a volunteer back in 2019 and since then has devoted a lot of his time to the Orbit with marketing as well supporting the running of the cafe and cinema. He has taken on a great deal of the responsibility for the Orbit's digital marketing and continues to deliver high-quality graphic design and video production. Outside of Orbit, Liam works full-time as a Software Engineer at Capgemini.

Bill Graham

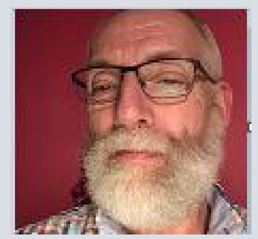
Bill gained 15 years professional experience in senior roles in theatre, working for both the Royal Shakespeare Company and the Royal Opera House as well as in London's West End. He is a former Technical Director of the ICC, NIA and Symphony Hall in Birmingham where he was closely involved in the final design, installations and commissioning of all three venues. He was latterly part of the NEC Group's specialist international consultancy division, advising on major public venue projects

Ray Hughes

Ray retired in 2013 from HM Revenue & Customs after 37 years' service. His last three appointments were as District Inspector in Oswestry, in Special Compliance Office undertaking high risk investigation work and finally in the Large Business Section in Birmingham as a Customer Relationship Manager being the prime point of contact and leading a team of specialists across the whole raft of taxes for initially major businesses in the Chemicals Healthcare and Pharmaceutical Sector and latterly in the Utilities Sector.

Rebekah Fozard

Graduating from the University of Cambridge with a Law degree, Rebekah qualified as a Solicitor in 2003 and practiced Commercial Property law. Upon moving to Hebden Bridge in 2009 she studied for a Masters in Culture, Creativity and Entrepreneurship at University of Leeds Most recently Rebekah managed Hebden Bridge Picture House for nine years, honing her skills in project management, development work and the production of creative programmes and events.



Jörg Niehoegen

Jörg moved with his family to Wellington in 1992. With his wife he started their own veterinary practice in 1996 which they operated jointly until they sold it in 2018. Over the years he held several voluntary positions in veterinary bodies, locally and nationally and co-organised a local wildlife group. He always had an interest in all things culturally and was awarded a Master of History of Art in 2007. Retirement in early 2020 allows him to enjoy more involvement in community projects, further study, walking and archery.

OBJECTIVES & ACTIVITIES

The Clifton Community Arts Centre Ltd is a charitable Community Benefit Society set up with the aim in their rules to provide arts and cultural facilities for the benefit of the community in Wellington and its environs.

PUBLIC BENEFIT STATEMENT

S2 of the Charities Act 2011 defines charitable purposes as being a purpose that falls within s3(1) of the Act and is for the public benefit in accordance with s4. The Society would confirm it is set up for charitable purposes only thereby meeting the definition of charity at s1. The principal charitable purpose is the advancement of arts and culture at s3(1)(f) but there is an incidental purpose of the advancement of citizenship and community development at s3(1)(e) to include the explanatory subsection at s3(2)(c)(ii) of promoting volunteering.

The Society has paid due recognition to s4(3) of the Act and published guidance by the Charity Commission on the meaning of public benefit and are satisfied that the Society is for the public benefit.

The regulating act for the Society is the Co-operative and Community Benefit Societies Act 2014. This Act provides that the determination of charitable status lies within that Act so that separate registration with the Charities Commission is not required. Although the Financial Conduct Authority is the registration body the determination of charitable status has been devolved to HMRC. The Directors can confirm that the Society is recognised by HMRC as a charity.

Nov 2012 — Campaign started...

Dec 2013 — Community Share Issue...

May 2018 — Building Acquired...

May 2019 — Open for Business...

Mar 2020 — Covid-19...

Sept 2021 — 007...

CHAIRMANS REPORT

Charities need reserves. Partly this is to ensure the charities have funds for a rainy day. Another reason is to have funds for an expansion of the charity's business to meet its charitable aims.

The Coronavirus outbreak has been the rainy day and it is to the Society's credit that reserves have actually increased in the year.

This being so, it is most appropriate to review the year in a number of stages.

Charities need reserves. Partly this is to ensure the charities have funds for a rainy day. Coronavirus outbreak has been the rainy day

1st January 2021 to 17th May 2021 – "Full or Partial Lockdown"

TAfter New Year's Eve we were not allowed to show films until 18th May as there was a surge in Covid infections, hospitalisations and deaths that led to a prolonged period of lockdown which gradually reduced in their severity. The directors took the view that as a community organisation we should be there to support the community to the extent we could while protecting the finances of the Society. To that extent staff were put on partial furlough and we provided a take away service for restricted hours on Fridays and Saturdays In mid April the restrictions were eased so that eating outdoors was permitted and we extended to opening on Thursdays as well with some success as people wanted to get out before we resumed showing films.

Jonathan making a latte with Covid-19 protective mask

During this period we were essentially surviving on grants. Limited amounts were received under various business interruption grants that were national schemes but administered by Telford and Wrekin Council. The major grants were further grants and amounts under the Cultural Recovery Fund that are covered in more detail in the Financial Report later in this document.

Accepting a Community Recognition Award from Telford & Wrekin Council

18th May 2021 to 29th September 2021 – Moving Back to Normality

On 17th May 2021, England moved to the final step of the roadmap which permitted indoor gatherings but subject to social distancing requirements. This enabled us to recommence trading in the café and reopen the cinema but subject to social distancing rules that effectively reduced our capacity by one half. Several venues decided that it was uneconomic to reopen straight away taking into account that the film slate was not the best and the configuration of the cinema knocked out too many seats. Balanced against this was the fact that the government offered a one off Restart grant of £2k and there was a second round of the Cultural Recovery Fund. Hence, we reopened as soon as we practically could

However, in anticipation of fragile confidence and a substandard film slate we considered it advisable to reopen only for five days for the time being. No furloughing was available for this period and as a result we moved closer to the restructured staffing profile that was contemplated through the redundancy of the Chief Officer in the previous year. With five days opening we took the view that an extra duty manager was not immediately required and we would seek to fill this vacancy at the right time through making use of the government's Kick Start scheme. We did, instead, recruit a café supervisor to release the manager from kiosk work and that post evolved when our chef resigned and we engaged two part time kitchen assistants.

19th July 2021 was dubbed as "Freedom Day" with the removal of all social distancing restrictions. It did in fact prove to be a bit of a damp squib because a new variant of the virus, the Delta variant, was beginning to take hold and while vaccinations were reducing hospital pressures there were significant rises in the infection rates which were acutely felt in the Telford and Wrekin area that was consistently above the national average. To that effect, we retained reduced capacity until we thought the right film could come along.

30th September 2021 to 31st December 2021 – No Time to Die and Beyond

No Time to Die, the new James Bond film was such a film. It was originally scheduled for release in April 2020 and had been put back on more than one occasion as the pandemic worsened. We took two gambles with this film both of which were substantially successful associated with the restoration of seven day opening.

The first was to remove all social distancing requirements. This was done with some trepidation on account of the confidence of customers but in fact the announcement barely caused a ripple. Simply, we were complying with the law and it would have been commercially disadvantageous to not maximise our capacity and many of the screenings, particularly in the evening were shown to full or near full houses.

The second gamble was to show the film immediately on release.

Orbit Director and International Film Producer, Ann Beresford during Q&A with Andy Smith

This is something that we rarely do and it will not be the norm mainly because of the prohibitive rate of film commission chargeable – in this case 60% – and the requirement to show the film exclusively for two weeks. The Bond franchise is well established and the two previous releases Spectre and Skyfall were two of the highest grossing films of all time but audience research indicated that customers want to see the film at the earliest possible opportunity. It would not have been possible to show the film at our preferred commission rate of 35% until 8 weeks after release when 90% + of the potential audience base would have seen the film.

This gamble paid off handsomely. Nationally, No Time to Die was an outstanding success grossing comparably with the two previous releases. We were at no competitive disadvantage to the multiplexes as there was an embargo on selling tickets until 13th September. In fact our sales for that day were our highest for any day through advance bookings even though the building was not open. Taking into account two later screening rounds we sold around 1600 tickets which is about double our previous highest seller.

"…it demonstrated that the appetite for cinema is a strong as ever…"

"December 2021 footfall was in excess of our pre-pandemic December 2019 footfall"

The success was also gratifying nationally because it demonstrated that the appetite for cinema is as strong as ever and reduced footfall was as much a reflection of the quality of the releases as a reluctance to return while for us, the gamble had a significant advertising and awareness flavour to it. Many people are infrequent cinemagoers. We now hope that this class of customer will now see us as the venue of choice for the next film they wish to see.

We were able to recruit our Kick Start duty manager during this period who we are aiming to make substantive at the end of the period of the scheme and that puts us in a position where we want to be staff wise for our current stage of development.

With the prospects of having a Covid free environment in the immediate future receding and the damage caused by the spread of the Delta variant the Government announced a third round of The Culture Recovery Fund covering the period from October to January.

Damian Breeze and Sarah Chard with the Aston Martin DB5 to promote Bond

We have received a provisional award where the period has in fact now been extended to March on account of the increasing uncertainty surrounding the new Omicron variant that emerged in December. At the present time, the analysis of the impact of this variant is unclear with one belief being that it will be a good thing on account of its mildness and the hastening of herd immunity. The immediate issue for us was that there was a reluctance to pre book because of its prevalence but this was counterbalanced by later bookings and walk ups and it was gratifying that our overall December 2021 footfall was in excess of our pre-pandemic December 2019 footfall.

In short, we had only three months in the year that could be considered more comparable to pre-pandemic conditions than those of lockdown. I will comment further on that in the financial section later.

PEOPLE

Our staff and volunteers.

Volunteer Dan with the May Day display

"Despite lockdown most of our volunteers have stayed loyal and returned"

Essentially, our staffing structure through the year was a reflection of the impact of the pandemic rather than the needs of the business.

The first thing I should cover is the furloughing arrangements. While financially it may have been prudent to close the business during lockdown, the business is an element within our charity and to close when the community is in need is not fulfilling our objects and as a result we maintained limited openings.

We were also mindful of the impact to our staff of being in total lockdown and being faced with the total isolation that was the feature of the original furlough arrangements which required total absence of performance duties. Partial furloughing gave them then some ongoing structure to their lives. We were also mindful that furlough was only covering 80% of their salaries but Covid was not their fault. We took the decision to top up their salaries knowing that we would not be reimbursed under the Culture Recovery Fund and we are proud that no staff member was disadvantaged as a result but it is a factor in our trading losses. We very much hope that there will be no further lockdowns and if there is we will have to review whether we can extend this facility to the future.

The redundancy made in the previous year reflected our belief that we were not making the best use of our resources and the money laid out could be more effectively recycled. This was done in combination with the replacement of a contract cleaner with an in house cleaner with there being two employed cleaners when we reverted to 7 day opening. Taking into account reduced National Insurance and Pension costs the savings effectively gave one extra man year spread over the various part time posts.

Long-standing supporter and volunteer
Jackie celebrates a significant birthday

In the year, we had two staff resignations and both were under the most amicable of terms. One was on getting a full time job and the other was a lifestyle choice. The one occasioned us to review our catering arrangements and we came to the conclusion that our requirements were for a cook rather than a chef and we looked at the Festival Drayton model where the café is volunteer led and overseen by a supervisor. We were not happy that volunteers should assume total responsibility for food preparation and have engaged two part time kitchen assistants. In addition we are now buying in cakes as well as doing some home made cakes. This has generated some savings over the premium value of engaging a chef while at the same time not diminishing turnover.

Overall, I would be failing in my duties if I did not thank all the staff for their dedication, enthusiasm, commitment and hard work during this difficult year.

This will of course extend to our army of volunteers without which our business could not run. Currently our numbers extend to around 30. Despite lockdown most of our volunteers have stayed loyal and returned. Going forward we are exploring the possibility of obtaining grant funding in the short term to engage a volunteer co-ordinator than will help the business run more smoothly and in particular will assist in developing volunteers who have additional needs and we would hope that our organic growth will help to make this appointment substantive and met from increasing turnover in later years.

Nothing gives us more pleasure than helping a volunteer get into full time employment. While we are sad to lose them we take confidence in contributing towards their development and increasing their confidence.

We never lose sight of the fact that our reserves are swelled by the precious gift of the devotion of their time for free. That will never be unrecognised or undervalued.

SOCIAL IMPACT

Put simply, if it's not benefitting the community we shouldn't be doing it. Our stated purpose within our rules of providing arts and cultural facilities for the benefit of the community needs to be considered in its entirety. This building cannot be an ivory tower satisfying esoteric predilections of a minority that do not satisfy wider needs, but that is more for the future and the expansion into the upper floors.

In the meantime, the highlights for this year include the following.

Our main impact for the first quarter was the provision of food hampers and boxes of goodies to beleaguered staff at the local hospitals when the wards were under the severest of pressure. We were able to do this through a mixture of the repurposing of a National Lottery Community Fund grant, public donations and allocating our advertising and marketing budget. It also proved to be a more productive use of staff time than having them on furlough. Each hamper included a personal message of support from the public and were universally well received

To me, the feedback sent to us by a ward clerk basically says it all.

We then set aside the remaining surplus to pay for an advertised bench in their outside break out area. Delivery was made during the summer and the Hospital Trust provided us with a plaque as a token of their appreciation.

"Today the team here on ITU & HDU PRH, received your generous and very much appreciated goodies. Who would have thought that this time last year we find ourselves in the situation we are all now experiencing. The fact that you have all thought about us and taken the time and effort to show your love and support means such a lot. Its heart-warming to know that during such unprecedented times our community can come together and support each other.

We are all looking forward to the day that we can come and share a coffee and a cake and catch up with friends and loved ones and bring the children to see a film without the uncertainty and restrictions that come with the Covid pandemic.

Thank you once again"

The reopening of cinemas from 17th May afforded to us a convenient tagline being "Back to the Future" although that was not the theme behind the film but as it was the end of lockdown which would hopefully never return it was the case that our futures were to return to what it was before the pandemic.

As such we booked the trilogy for three successive Saturdays. For the first, and with the help of the local Facebook group, Love Wellington, we were able to display a replica DeLorean car that was used in the film. This proved to be a huge boost to the town and drew many people into the town to be photographed with the car and we showed the first film to three sell outs on the day. We produced a special American menu with the help of DeLorean burgers prepared by a local butcher and achieved our best ever café takings (pre or post lockdown) on the day.

In relation to No Time to Die, apart from decorating the café, selling Bond cupcakes and special Orbit martinis we held special events on 30th September at 7 minutes past midnight with extra security offered for free by a volunteer (the first day we could screen the film) then red-carpet events at 7pm on 30th and 7pm on 2nd.

The early 30th September screening had a 58% occupancy, including the BBC Radio Shropshire movie buff. Dress code varied from DJs to PJs and we got some good press coverage for this screening.

The 7 pm screening 30th September was a dress to impress event with red carpet, martinis and a photographer (volunteer). with 100% occupancy

Giving people a reason to go out, meet friends and time-travel

Put simply, if it's not benefitting the community we shouldn't be doing it.

and on 2nd October during the day we had an Aston Martin on display in the square (loaned free by a Midlands businessman) and for the evening a further dress to impress event with red carpet, martinis, magician and canapes with again 100% occupancy.

Spectre and Skyfall had comparable footfall but these were Bond films that happened to be shown in the borough some way away from Wellington. No Time To Die was truly a Wellington event and clearly enhanced the feeling of well being within the town.

Enhancing the feeling of well-being, even in the rain

We were fortunate to have been in receipt of a grant of £809.49 under the Envirogrant scheme run by Veola in connection with providing certain equipment for our Tuesday Toddlers Group.

Unfortunately, the award coincided with the advent of the Coronavirus epidemic and the institution of several lockdowns which meant that although the award was received the money was not expended as it was possible that the equipment could be bought more cheaply at a later date.

The group has now started again during following the relaxations in mass gatherings. Following an expansion in our serving of food, we came to the conclusion that it would be more beneficial for the sessions to be held in the cinema using the space between the front seat and the screen.

We ordered additional soft furnishings that was in sympathy with the dimensions of the cinema and we have been able to make use of the screen to show DVDs free of charge subject to paying a licence fee to MPLC.

We planned for the revival of the sessions to coincide with the return of the elder children to school so that there is a safe, custom built environment for young mothers to go to once the elder children have gone to school and where

Hampers for NHS Heroes

both mothers and children can intermingle with families under same circumstances.

We did initial PR on 8th September and as can be seen from the likes, comments and shares the initiative has been greatly welcomed. Facebook likes increased by a virtually unprecedented 20 likes in a day and by over 60 in a fortnight indicating a demand for the facility which has been confirmed by the good attendances for all sessions.

Nick Brooke from All Saints Church who are working with us in collaboration on this has said. "The new soft play toys have completely changed the atmosphere. The kids thoroughly enjoy them and the parents feel more relaxed knowing that their kids can be kids in a safe environment".

Nick recounts the story of one mum who told him of how thankful she is for the playgroup. She has a 20-month-old only child who has spent her entire life in lockdown and has never had the opportunity to interact with other children. This group has given her a safe and gentle introduction to building friendships. She's not alone. This is the first time that many of the kids are learning how to interact and play with others. The parents are beginning to build much-needed friendships as well.

RISKS & UNCERTAINCIES

The board confirms that it has carried out an assessment of the principal risks facing the Society, including those that would threaten its business model, future performance, solvency or liquidity. The board's assessment of the principal risks and uncertainties and the mitigations in place is set out below.

RISK	IMPACT	MITIGATION
The Society will be unable to generate sufficient funds to develop the whole building	insufficient utilisation of the building and attendant loss of revenue	Eextension of lease obtained to reassure investors. Share campaign to attract further share capital. Creation of Restricted Reserves to earmark funds for redevelopment. Active research of funding opportunities
There will be insufficient unrestricted reserves &/or cash to pay back existing loans	Additional financial burden going forward	Business plan projections to build up cash reserves. Deferred repayment schedule to assist in business development
The Society will be unable to obtain grants	Stalling on the redevelopment of the upper floors	Preparation of robust and realistic business plans, publication of comprehensive accounts showing sound financial management, clear vision, evidence of need and demonstrable community engagement.
The Society will become insolvent	Ultimate dissolution, potential forfeiture of lease	Build up of unrestricted reserves, buffer of rent deposit
The Society will not be able to attract sufficient volunteers	Incomplete satisfaction of charitable objectives	Support, encouragement and recognition of existing volunteers, sourcing of volunteers from a wide area of outlets. Engagement of volunteer co-ordinator.
The Society will lose its charitable status or be affected by other tax and legislative changes	Loss of favourable treatment for rates and taxes, breaching the aims of the Society according to the rules, reputational damage in denying the favourable tax treatment for Social investment Tax Relief loans and shares	Monitoring all activities to ensure they are within the rules, liaising with national bodies who lobby government on legislative changes and anomalies.
The Society will have no building after the lease expires	Difficulty in getting grants with a limited tenure, expensive costs of removal, ineffective use of tenant's fixtures, especially those that are impractical to move	Plans in place to try to acquire the freehold.
The Society will suffer business interruption	Loss of income through inability to open	Full insurance to cover risks. Re-modelled cash reserves policy building on the impact of the Coronavirus pandemic. Fully researched and costed Cultural Recovery Fund bids and keeping an eye open for other Covid relief measures

Financial review (including reserves policy)

Last year I made the statement that potentially Coronavirus could have spelt the end but it hasn't. Coronavirus could have severely crippled the Society but it hasn't. Coronavirus has however caused a financial and developmental stutter. This is equally true for this year.

I began this report by outlining our trading position for the year which in the long term would be unsustainable if there was not supplementary support from non trading activities which is why it is more appropriate to look at the health of the Society through the underlying strength of the Balance Sheet.

In this respect, it is important to reflect on the Society's structure which is underpinned by its rules. A Community Benefit Society is controlled by its members and members become members by acquiring shares in the Society within a minimum subscription of £10 and a maximum prescribed by law of £100k. As with companies with shareholders, shares are a bundle of rights. The three fundamental rights that shares universally have are a right to dividends, a right to vote and a right to a distribution of the residual assets of the body in the event of a winding up. How these rights are exercised are expressed within the Society's rules. They specify that there will be no rights to dividends, one member has one vote regardless of the number of shares held and in the event of a winding up the assets of the Society will be distributed to bodies operating in the community performing similar aims. In consequence the benefit of holding more than the minimum share capital is social rather than financial. At this time, this is reinforced by a policy adopted by the directors as permitted by the rules that once subscribed for a policy of suspending the ability to withdraw the shares has been adopted. Hence, in essence the shares have the character of being a gift and the enhancement in the share amount in the year has been mainly occasioned by subscribers availing themselves of the tax advantages afforded by Social Investment Tax Relief that have been outlined in earlier reports. Had this tax relief not been available the subscriptions would have been substituted by donations under the Gift Aid scheme which would have been reflected in the income and expenditure account and there would have been a higher figure for income reserves and a reduction in share capital.

It has been widely reported that the government's Cultural Recovery Fund (CRF) has been a life saver for independent cinemas and we would never deny that. However, it is a fallacy to say that the awards made good the shortfall occasioned by the pandemic and it is incumbent upon me to explain the reasons behind the reported loss.

Firstly, I would explain that the CRF has so far come in three rounds. The rounds tend to straddle accounting periods and the system of application is extremely complicated involving submission of initial projections and then a further submission of actual figures. If the actual figures were to be higher than the projections the surplus would have to be refunded. On the contrary there would be no further award if the actuals were lower. The first round of the CRF covered the period to 31st March 2021 where we had an underspend which was then netted off against the provisional award for the second round covering the period to 30th June 2021. Allocating the combined award between the actual deficits in each month would be a time consuming exercise. It is necessary at each accounting period to estimate in debtors the amount of the award not made and how that should be attributed to each accounting period. Hence, it is likely that part of the reported deficit for this year in fact reflects the earlier allocation of part of the award to the earlier accounting period.

Secondly, between 1st July 2021 and 30th September 2021 there was no CRF award. Cinemas were left to their own devices for this period which traditionally is a quieter period with warmer weather and a greater variety of alternative leisure activities. In this period there continued to be high rates of Covid infections in the borough that persuaded us that it was right to retain social distancing rules and that would have had a further impact on footfall.

Thirdly, we have to recognise that our policy of topping up salaries was done for moral reasons at the expense of financial ones. This naturally generated a deficit.

Finally, the conditions to the CRF disqualify certain expenditure. This disqualification is at loggerheads with generally accepted accounting practice. In particular, the CRF sees interest and depreciation to be ineligible expenditure. We are a heavily capitalised business funded in part by debt carrying in the early years at least high levels of depreciation. We acquire fixed assets by making a realistic assessment of the rate of return on the acquisition. In so doing we have to consider whether the income generated by the asset exceeds the associated expenditure and that not only includes the running costs but the interest burden associated with the acquisition and also the annual wear and tear which defrays the cost of the asset over its useful economic life. We have argued long and hard with the BFI who administer the fund on behalf of the government that if we have been denied income through the impact of Covid and its restrictions the awards ought to cover the shortfall of income that were designed to cover these two expenses as well. We have received sympathy but nothing else to this view.

We hoped there would be a possibility that in the sweep up and the final return of actuals there may be some relaxation on this but this has not proved to be the case. As such we have addressed this issue in part by modifying our depreciation policy for the year. Effectively, since the commencement of the outbreak we have been in enforced closure for a period of around nine months and also taking into account reduced income flows we have considered it appropriate in the lack of government support to extend the useful economic life of assets that have been mothballed for nine months by nine months and reflect that extension through a reduction in the actual depreciation charge in the year.

I think it is also instructive to consider our performance in a national context and we have conducted research on this. We started by annualising our turnover for what would have been our first year of opening had we had a full 12 months.

The table below sourced from the UK Cinema Association shows the historic national trends on Box Office Receipts in cinemas.

The UKCA reports the figures as £251.8m for 2019 and £296.7m and the industry recorder of footfall Comscore who compile the statistics for the industry have predicted 2021 and 2022 box office receipts to be £560m and £890m with 2023 being a normal level of box office.

So using these figures the levels for 2020 and 2021 as a percentage of 2019 are: –

•2020 23.70%
•2021 44.73%

If 2019 is used as a base, our footfall would be

•2020 3509
•2021 6621 (full year)

Our actual footfall has been

•2020 6420
•2021 7201

This would suggest we have outperformed the national position in both 2020 and 2021 and we are heartened by that. We recognise that the first year was a learning curve and that we should obtain organic growth which we understand is the case with the Old Market Hall in Shrewsbury. Certain our Facebook following which has

Structure, governance and management

increased from a pre-pandemic figure of 2000 to a current figure of 3600 supports that as does the turnout for No Time To Die. All this encourages us that we are on the right footing for the future.

The Society has business models that set turnover targets, targeted profit rates and budgets for overheads to ascertain the break even position and an acceptable surplus bearing in mind the level of incidental income and revenue grants are volatile. These took on a different character during the year. These models are very much working documents being revised frequently on the basis of experience and quarterly management accounts were prepared to measure performance against targets. It was gratifying that despite all the issues during the year our closing cash figure was some £12k higher than the previous year and around £5k higher than our break even forecast which has importance for the eventual interest and capital serving requirements.

In addition, the Directors have set the following financial policies.

We are looking at a debt equity ratio of no more of 1:1. This has comfortably been achieved by treating directors' loans as quasi equity in addition to grants with capital and reserves enhanced during the year. With grants amortising in future accounting periods and the uncertainty with the quantum of income that will be derived from Phase 2 the directors have taken the prudent view that the Phase 2 development will be equity funded through a combination of retained profits, additional share capital and grants. Potentially a freehold acquisition could be part debt funded.

We need to manage out interest exposure and while we are fortunate that we are paying a low rate of interest on account of the SITR tax benefits we need to make sure that we have enough earnings to cover interest payments which is one of the reasons why we don't want the cost of Phase 2 development to merely produce income that would be absorbed by the interest charges and more importantly loan repayments. We are looking to have an interest rate cover ratio of 3:1 using EBITDA (earnings before interest, tax, depreciation and amortisation) as the measure. This has not been achieved in this accounting period but would be if we recharacterized the additional share subscriptions as falling in the income and expenditure account which would reflect the economic substance of the transaction.

Under the SORP for charities, charities are required to have a reserves policy. All charity trustees or directors have an obligation to manage their charity in the best interests of the charity and its beneficiaries. This involves managing the charity's income, running costs, future plans and potential risks. Originally going forward, the directors have taken into account the regular cash flows from the business and felt that we should work to a reserves policy that would leave reserves equivalent to an average three months expenditure. The pandemic was one of the rainy days that reserves are meant to be in place for and our capital and reserves are in excess of three months expenditure. However the experience of the pandemic led to a reconsideration and to look more at cash reserves. The worst case scenario has been put at a business interruption of nine months with no insurance recovery or government support and the directors have calculated that cash reserves of £120k would cover any such contingency. Accordingly the long term aim would be to strive towards that figure.

The Society's rules underpin everything and set out the organisation's hierarchy.

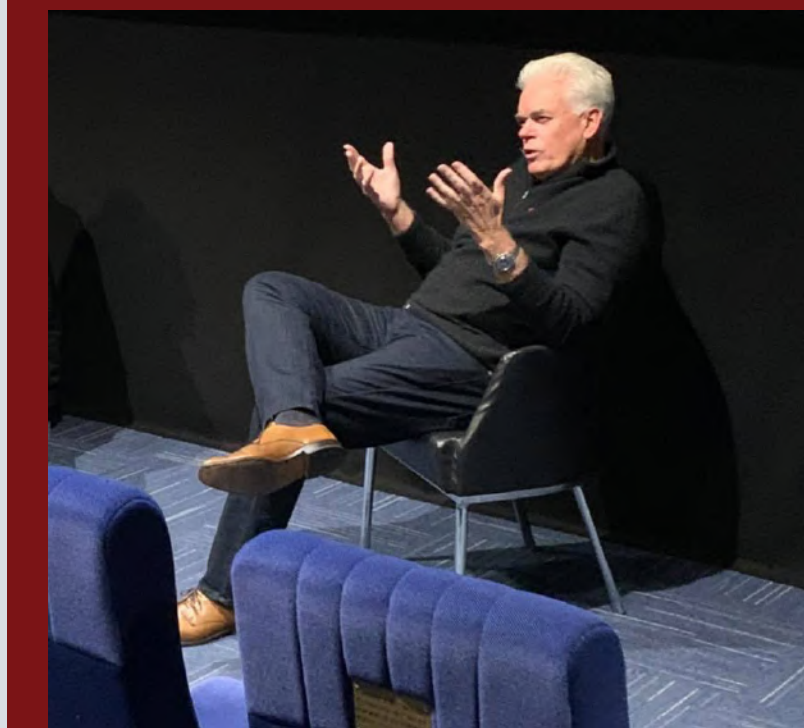
There is no higher level of ownership and control than that exercised by the members and as stated before the Board would encourage as many people in the local community to become members as the Society's assets then become their own and they can influence and collectively dictate the future of the Society albeit within the context of the rules.

It is the members who appoint the directors at a General Meeting and can choose not to re-elect them or seek their removal at a general meeting by way of ordinary resolution.

The directors are tasked by the rules to manage the business of the Society. All directors are members of the Society although it is possible to co-opt an independent director for their particular abilities. Currently the Board consists of eight members. Directors are not appointed simply to make up the numbers or as a name dropping exercise but are selected for the wide range of abilities they possess that can benefit the Society although the bottom line is that they must passionately care about the town and the community.

There was one appointment, one co-option and one resignation in the year. Chronologically Liam McClelland was appointed early in the year and had his appointment ratified at the last AGM. Liam has been a volunteer from the very early days of opening and worked actively on the marketing volunteer group. In the early days of furloughing Liam took over the Society's social media presence which is admired not only locally but within the cinema industry and is reflected in our growth of followers. He now oversees the marketing function and the rest of the Board have been impressed by his hard work and dedication since he has joined.

Unfortunately, we have lost the contribution of Chris Ball late in the year on account of work pressures and dealing with the time differences being based in Los Angeles. I cannot speak too highly of Chris and the contribution he has made to the development of the Society with his film knowledge and connections. He will be sorely missed and we wish Chris, his wife, Marion and his children all the best in the future and look forward to welcoming back to the Orbit during his regular returns to the UK.



Chris Ball during Q&A at Wellington Orbit

Throughout the year Board Meetings have been held each month. Since the pandemic meetings have been held by Zoom with local directors either meeting collectively or at home depending on the social distancing rules. Wider strategic issues and operational performance are discussed at these meetings which include a report and presentation from the Office Manager. Recently, it has been decided that there is an intermediate level of decision making that it is not cost effective for the

Structure, governance and management

non resident directors to be immediately involved in although such matters are reported back to the full board. As such, a less formal meeting of local directors is held separately as required.

A distinction needs to be made between the directors' powers which where deemed appropriate could be delegated and the operational requirements of the business. The Board have a manager to take overall responsibility for running the business at an operational level and is remunerated as such. This entails, without abdication, a substantial devolution of responsibility of day to day matters subject to Board oversight and acting as a second pair of eyes. The Board are kept informed by both the monthly Board Meeting presentation and report and the provision of a weekly revenue report confirming trends and live issues.

The manager has responsibility for the other staff members and the recruitment, retention, motivation and recognition of volunteers. The role of a volunteer does of course mean that no strategic or policy responsibility can reside with them but it would be a foolish business that would disregard this hugely important part of the business that is a major interface with the customer base. Various volunteer steering groups with a board member sponsor have been established in six key aspects of the Society's business being volunteering, the community space, the cinema, marketing, finance and Phase 2. It is the role of these groups to establish a two way communication channel and for suggestions and recommendations to be fed in but the groups cannot go beyond that in overriding the structure required by the rules.

Plans for future periods & Post Balance Sheet Events

The Board have a clear vision of how the Society should continue and develop which is

• To use the whole building for the Society's stated aims
• To be debt free
• To ultimately own the freehold
• To have an annual excess of income over expenditure
• Subject to the reserves policy, apply reserves to advance the charitable objectives outside the four corners of the building
• To provide satisfying and fulfilling careers for employees
• To encourage and develop volunteers to cater for their individual needs
• To provide for the community what they want and not tell them what they want
• To help residents feel citizens and not just inhabitants of Wellington
• To increase the spending of the pound in Wellington Town Centre by contributing to its regeneration
• To encourage membership so that the asset is "our" asset
• To help people to love as well as live in Wellington

During the year the Board have worked tirelessly to move to the fulfilment of some of the longer term aspirations above in an environment where the priority has been to apply funding towards survival rather than development. The presence of the pandemic had changed the funding landscape from improvement and development to firefighting.

It has been the case that since the outbreak and despite the efforts of government it has proved impossible to plan with any certainty beyond a period of three weeks at best such has the virus proved to be a obstinate and resilient adversary. It is therefore with some hesitation that I write that there are emerging signs that the back has been broken on the virus being the master of our destiny and we will be able to live our lives in the way that we survive in the knowledge that the common cold is endemic.

But we are not medical experts. What we are are people who care passionately about the town of Wellington and have been tasked to manage a community business to provide the best possible facility within the ambit of arts and culture for that community.

We are pleased that we have steered the ship through the most hazardous of waters and kept it intact. We are hoping that there are calmer waters on the horizon and that we are moving towards them to flourish for many many years to come.

....

(Phil Morris-Jones - Chairman)

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Phillip Morris-Jones MBE, Director

1st June 2022

Accounting Information

THE CLIFTON COMMUNITY ARTS CENTRE LTD

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE CLIFTON COMMUNITY ARTS CENTRE LTD FOR THE YEAR ENDED 31 DECEMBER 2021

We have reviewed the financial statements of The Clifton Community Arts Centre Ltd for the year ended 31 December 2021, which comprise the Profit and Loss Account, the Balance Sheet and the appended notes. The financial reporting framework that has been applied in their preparation is 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''.

This report is made solely to the Society's members, as a body, in accordance with regulations made under the Co-operative and Community Benefit Societies Act 2014 and the terms of our engagement letter dated 30 August 2018. Our review has been undertaken so that we may state to the Society's members those matters we have agreed with them in our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body for our work, for this report or the conclusions we have formed.

Directors' Responsibility for the Financial Statements
It is the directors' duty to ensure that The Clifton Community Arts Centre Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of The Clifton Community Arts Centre Ltd. The directors consider that The Clifton Community Arts Centre Ltd is exempt from the statutory audit requirement for the year.

Accountants' Responsibility
Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements and ICAEW Technical Release TECH 09/13AAF Assurance review engagements on historical financial statements. ISRE 2400 also requires us to comply with the ICAEW Code of Ethics.

Scope of the Assurance Review
A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland). Accordingly, we do not express an audit opinion on these financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the charitable company's affairs as at 31 December 2021, and of its profit for the year then ended;
- in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

James Holyoak & Parker Limited ....

Chartered Accountants

1 Knights Court
Archers Way
Battlefield Enterprise Park
Shrewsbury
SY1 3GA

Accounting Information

THE CLIFTON COMMUNITY ARTS CENTRE LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Turnover	150,824	301,943
Cost of sales	(38,797)	(32,648)
Gross profit	112,027	269,295
Administrative expenses	(153,009)	(165,690)
Operating (loss)/profit	(40,982)	103,605
Interest receivable and similar income	20	-
Interest payable and similar expenses	(6,030)	(7,268)
(Loss)/profit before taxation	(46,992)	96,337
Tax on (loss)/profit	-	-
(Loss)/profit for the financial year	(46,992)	96,337

THE CLIFTON COMMUNITY ARTS CENTRE LTD

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	**4**		9,104		9,923
Tangible assets	**5**		488,027		494,146
			497,131		504,069
Current assets					
Stocks		3,667		2,488	
Debtors	**7**	28,113		32,321	
Investments	**6**	310		310	
Cash at bank and in hand		46,210		34,127	
		78,300		69,246	
Creditors: amounts falling due within one year	**8**	(20,563)		(17,769)	
Net current assets			57,737		51,477
Total assets less current liabilities			554,868		555,546
Creditors: amounts falling due after more than one year	**9**		(341,541)		(343,382)
Net assets			213,327		212,164
Capital and reserves					
Called up share capital			124,716		76,561
Profit and loss reserves			88,611		135,603
Total equity			213,327		212,164

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 84 of the Co-operative and Community Benefit Societies Act 2014.

The directors acknowledge their responsibilities for complying with the requirements of the Co-operative and Community Benefit Society Act 2014 with respect to accounting records and the preparation of financial statements, and the accounts in the opinion of the directors give a true and fair view under s80 (3) of the Act.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

THE CLIFTON COMMUNITY ARTS CENTRE LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 21st April 2022 and are signed on its behalf by:

....

A Smith
Director

....

R Hughes
Director

....

F Hunter
Director and secretary

Company Registration No. 32224R

THE CLIFTON COMMUNITY ARTS CENTRE LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

1 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Company information

The Clifton Community Arts Centre Ltd is a Community Benefits Society limited by shares incorporated under the Co-operative and Community Benefits Society Act 2014 and regulated by the Financial Conduct Authority. Under s79 of the Act it is required to produce accounts. The registered office is 1 Station Road, Wellington, Telford, Shropshire, TF1 1BY.

2.1 Accounting convention

Although the society is a charity it is not regulated by the Charities Commission. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016) , the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The society has adopted the standards of materiality covered in the SORP whereby an item is material if in the directors' view its inclusion or exclusion from the accounts would be likely to change the reader's view about the accounts. In the directors' view no items have been excluded from the Accounts which could be considered material.

2.2 Turnover

All incoming resources are included in Profit and Loss Account when the society is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Voluntary income is received by way of grants, donations and gifts, and is included in full in the Profit and Loss Account when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the society, are recognised when the society becomes unconditionally entitled to the grant.

THE CLIFTON COMMUNITY ARTS CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

2.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10-25 years on a straight line basis
Other plant and equipment	10 years on a straight line basis
Fixtures and fittings	10 years on a straight line basis
Cafe equipment	10 years on a straight line basis
Cinema equipment	10 years on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

2.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.6 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

2.8 Taxation

The company is an exempt entity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

The society voluntarily registered for VAT on 1st November 2018 despite having turnover below the registration threshold and is currently making monthly returns. This has been deemed necessary for cash flow purposes as the society will be in a repayment position throughout the construction phase.

THE CLIFTON COMMUNITY ARTS CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

2.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	**2020**
	Number	**Number**
Total	9	5

THE CLIFTON COMMUNITY ARTS CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Intangible fixed assets

	Development costs £
Cost	
At 1 January 2021	11,573
Additions	76
At 31 December 2021	11,649
Amortisation and impairment	
At 1 January 2021	1,650
Amortisation charged for the year	895
At 31 December 2021	2,545
Carrying amount	
At 31 December 2021	9,104
At 31 December 2020	9,923

5 Tangible fixed assets

	Leasehold land and buildings £	Other plant and equipment £	Fixtures and fittings £	Cafe equipment £	Cinema equipment £	Total £
Cost						
At 1 January 2021	129,399	14,439	303,838	41,383	89,160	578,219
Additions	1,419	1,894	2,015	1,402	349	7,079
At 31 December 2021	130,818	16,333	305,853	42,785	89,509	585,298
Depreciation and impairment						

6 Current asset investments

	2021 £	2020 £
Other investments	310	310

Other investments relate solely to a loan made to a local circus as a contribution towards the purchase of magical equipment that will bear the Society's logo. There are no fixed terms of repayment but the loan will be repaid out of shows performed or services to be supplied. No repayments were made in the year.

7 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	6,305	9,426
Other debtors	1,372	3,506
Prepayments and accrued income	8,436	7,389
	16,113	20,321

Amounts falling due after more than one year:	2021 £	2020 £
Other debtors	12,000	12,000
Total debtors	28,113	32,321

Other debtors comprise a Gift Aid repayment of £363, grants under the Cultural Recovery Fund and the Kickstart Scheme of £4,135 and trading bonds with a major film distributor of £1,000 which should have been released after 9 months of satisfactory trading but is still awaited.

Other debtors over one year is a rent deposit paid to HSBC and then transferred to the new landlord to cover any loss that they could potentially incur in the event of a default that was due to be returned at the end of the underlease. The amount has been placed in an escrow account and will be returned at termination of the lease provided there are no default issues. It would appear the HSBC have put it in an account bearing annual interest of 0.05%.

THE CLIFTON COMMUNITY ARTS CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	11,408	6,423
Taxation and social security	2,046	4,991
Accruals and deferred income	7,109	6,355
	20,563	17,769

9 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Other borrowings		206,080	204,686
Government grants		135,461	138,696
		341,541	343,382

All Social Investment Tax Relief Loans are for a term of five years with a fixed interest rate of 2.25%. The amount due is repayable on maturity. £100 is repayable in 2021, but the lender agreed to extend for a further 5 years, £60, £136 in 2023 and £25,000 in 2024. Further loans of £110,000 were made in 2020. £10,000 will be repayable in 2025 and has an interest rate of 0.01%. A loan under SITR was made by Resonance on27th February 2026 for six years. No capital is repayable for the first three years. Repayments are made on a monthly basis after the first three years and will be £26,147, £32,857, £34,858 and £5,998 in 2023 to 2026 respectively. Interest is at 3.5% with a monitoring fee at 2.5% for the first three years and 5.5% and 1.5% thereafter.

Government Grants include an amount of £99 from the British Film Institute awarded out of National Lottery money to purchase a Blu Ray player. It is amortised over its estimated useful economic life and the amortisation is netted of against depreciation. In addition three grants totalling £166,500 have been received from Telford & Wrekin Council being a Telford @ 50 legacy grant, An Empty Unit Incentive Grant and a Façade Improvement Grant. £923 of the latter has been written off against revenue expenditure in the year. The balance has been allocated against either cinema equipment or fixtures with priority being given against moveable tenant's trade fixtures that could be removed from the premises in the event of any relocation. The grant has been amortised over the useful economic life of the assets and the amortisation has been netted off against depreciation. The directors took advice from the suppliers of the cinema seating and projection equipment and were informed that the useful economic life would be ten years which has resulted at a 10% straight line amortisation rate. The amortisation rate for fixtures is 9.64% to take into account the average depreciation rate over fixtures as a whole that includes some assets that will inevitably become part of the building where a straight line depreciation rate of 4% has been used. The amount written back in the year amounted to £3235 to take into account the the time the premises has been in lockdown. A grant of £809.49 was received from Veolia in the year towards the cost of playthings for the parent and toddler group. It was spent in the year on soft toys and will be amortised on a straight line basis over 10 years. Two small local authority grants were received in the year but will be expended from 2022 and have not yet been amortised.

THE CLIFTON COMMUNITY ARTS CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Income from donations and legacies

	2021 £	2020 £
Gifts	2,444	117,654
BFI Show Fund	-	1,200
BFI Resilience Fund	-	5,000
Retail Hospitality and Leisure Group Fund	-	25,000
TWC VE/VJ Celebrations	-	627
TWC Business Interuption	3,700	1,600
National Lottery	-	1,500
Coronavirus Job Retention Scheme	7,822	22,354
Cultural Recovery Fund	31,362	48,464
Kick Start Grants	3,382	-
Restart Grant	12,000	-
BFI Pitch Pot	1,100	-
	61,810	223,399

The Cultural Recovery Fund awards cover the period up to 31st March 2021 and is not allocated on a monthly basis. The figure shown in the accounts represents the directors' best estimate of the amount of the award that is attributable to the period to 31st December 2020. Similarly 2021 reflects a best estimate of an award that straddles two accounting periods.

11 Income from charitable activities

	2021 £	2020 £
Film sales	48,561	42,384
Cafe sales	34,862	30,667
Other ticket sales	1,237	-
Art sales	1,031	899
Room hire	802	-
	86,493	73,950

THE CLIFTON COMMUNITY ARTS CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Income from other activities

	2021	2020
	£	£
Twincl lottery	1,504	1,189
Miscellaneous	364	304
Seat sponsorship	390	100
Compensation and recharges	-	3,000
	2,258	4,593

Compensation and recharges represent a final amount received from HSBC in respect of expenditure incurred that relates to obligations falling on them through their Head Lease including their dilapidations obligation on the surrender which the Society have incurred during the redevelopment or will incur on their behalf.

13 Income from other investments

	2021	2020
	£	£
Other	20	1
	20	1

A small amount of repayment interest below £1 was received in both years on Gift Aid repayment claims, and £19.73 from Barclays from late payment processing.

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021	2020
	£	£
	354,784	66,062

The increase reflects the lease surrender and renegotiation. The new lease retains the old underlease

THE CLIFTON COMMUNITY ARTS CENTRE LTD

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020
	£	£	£	£
Turnover				
Donations, grants and sponsorship		61,811		223,400
Film sales		48,561		42,384
Other events		3,805		1,189
Café sales		34,862		30,667
Art sales		1,031		899
Sundry income		754		3,404
		150,824		301,943
Cost of sales				
Merchandise	383		92	
Café food, ice creams and refreshments	14,477		9,459	
Film screening fees and royalties	19,103		18,268	
Film delivery fees	1,928		1,500	
Film booker's fees	2,242		2,625	
Art	664		704	
		(38,797)		(32,648)
Gross profit	74.28%	112,027	89.19%	269,295
Administrative expenses				
Wages and salaries	75,334		71,689	
Staff pension costs defined contribution	2,612		3,427	
Royalties payable	883		498	
Commissions payable	1,941		2,874	
Rent re operating leases	20,111		20,055	
Cleaning	2,071		3,531	
Power, light and heat	8,388		5,209	
Premises insurance	4,338		3,981	
Equipment repairs	6,693		4,000	
Consultancy fees	11,403		5,443	
Accountancy	2,230		4,750	
Printing, postage and stationery	1,640		1,686	
Advertising	2,208		391	
Website costs	428		-	
Telecommunications	1,990		2,074	
Sundry expenses	283		1,486	
Staff and volunteer training	1,111		-	
Safeguarding	205		-	
Depreciation	9,140		34,596	
		(153,009)		(165,690)
Operating (loss)/profit		(40,982)		103,605

Accounting Information

THE CLIFTON COMMUNITY ARTS CENTRE LTD

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020
	£	£	£	£
Operating (loss)/profit		(40,982)		103,605
Investment revenues				
Bank interest received	20		-	
		(20)		-
Interest payable and similar expenses				
Bank interest on loans and overdrafts		(6,030)		(7,268)
(Loss)/profit before taxation		(46,992)		96,337

The Clifton Community Arts Centre Ltd
Annual Report for the year ended 31st December 2021