

REGISTERED COMPANY NUMBER: 01409066 (England and Wales)
REGISTERED CHARITY NUMBER: 277415

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
THE RIO CENTRE (DALSTON) LIMITED

Hewitt Warin Ltd
Chartered Accountants and Statutory Auditors
Harlow Enterprise Hub
Edinburgh Way
Harlow
Essex
CM20 2NQ

THURSDAY



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COMPANIES HOUSE

THE RIO CENTRE (DALSTON) LIMITED

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for the Year Ended 31 March 2018

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THE RIO CENTRE (DALSTON) LIMITED

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Rio Centre (Dalston) Limited (the "Company") is a registered charity incorporated as a Company Limited by Guarantee. The organisation's day-to-day activities are carried out by a staff team led by Executive Director Oliver Meek. The Charity offers no "zero hours" contracts.

The Charity's core activity is to run the Rio Cinema, an independent cinema with a unique policy of community access and local involvement. The cinema is open 364 days of the year, and its wide-ranging and varied programme presents approximately 1,300 screenings annually incorporating: main feature films, programmes for children and the elderly, special events, festivals and independent films. The Rio provides a focal point for the area and also convenient and economical access to cinema for a wide range of Londoners and regularly offers discounted tickets both to the general public and targeted at specific groups.

Public benefit

The Directors have considered the Charity Commission guidance on public benefit and consider that the activities of the charity provide public benefit within the following charitable purposes:

1) THE ADVANCEMENT OF THE ARTS, CULTURE, HERITAGE OR SCIENCE

The Rio promotes an appreciation of the best of world cinema for the local community in the London Borough of Hackney and neighbouring boroughs. Through participation in film festivals showcasing work from around the world, the Rio demonstrates its commitment to providing local residents with as diverse a programme of high-quality cinema as possible.

2) THE ADVANCEMENT OF CITIZENSHIP OR COMMUNITY DEVELOPMENT

Cinema itself is a communal experience, an accessible art form that attracts a diverse and wide range of people. The Rio provides a home to film festivals that reflect the diversity of the local population, featuring films that may otherwise go unseen in the UK. These screenings provide an opportunity to learn about one another's cultures and heritage - aiding and developing community relations. The Rio also provides an outlet for local community organisations and charities to promote their causes, both through public screenings and our education programme.

3) THE ADVANCEMENT OF EDUCATION

The Rio Centre's extensive programme of schools screenings provides an invaluable adjunct to the class work of local schools, and is viewed by teachers as a significant educational resource. Filmmaking and animation workshops provide children with an introduction to the principles of filmmaking and animation.

4) THE RELIEF OF THOSE IN NEED, BY REASON OF YOUTH, AGE, ILL-HEALTH, DISABILITY, FINANCIAL HARDSHIP OR OTHER DISADVANTAGE

The Rio is determined to make film as accessible as possible to the local community, and therefore seeks to provide low cost access to the cinema for people on benefits and for children to facilitate the widest possible access to its services. The Rio's monthly Classic Matinée aims to reduce feelings of isolation for older people and enrich life of those in care, providing local older people with an opportunity to socialise, enjoy a film and also free tea and cake.

THE RIO CENTRE (DALSTON) LIMITED

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The period of this report covers one of the most significant years in the Rio's existence, with the opening of the second screen in the basement of the Rio in late 2017. The success of this second screen has allowed us to cement our position as an independent community cinema and resource centre. This new screen was a major landmark in our RIOGeneration campaign, which was one of our key focuses this year alongside strengthening our community activities.

RIOGeneration

RIOGeneration is our ongoing plan to extend the reach of the Rio as a cultural cornerstone of our area and preserve it for future generations, as a response to the changing economics of cinema. The second screen opened and provided members and patrons with a more intimate film experience than on our main screen and access to a wider variety of films and other events. This new screen has frequently been sold out, offering a wider range of repertory and community cinema, including documentaries, independent film, festival films and more risky fare. It also frees up the main screen to host more major one-off events, with the primary film of the week moving to the second screen, which means our programme is more adventurous and we can also generate more revenue, plus retain good relationships with distributors.

The second screen could simply not have happened without our members. A large percentage of our members made financial contributions to our crowdfunding campaign, and we thank them again for helping to ensure the Rio's future. The message the Rio has put out there is that we are very much alive and thriving at the heart of the community.

There has also been major refurbishment work to the inside and the exterior and the building, stretching across the period of this report and beyond. The building looks better than it has done for decades.

RIOGeneration has been delivered with amazing value for money on budget, and this is testament to the detailed planning of Executive Director Olly Meek and his team to whom the trustees and members owe a great debt of gratitude.

Community

Alongside our main cinema offering of the latest contemporary releases, with a independent skew, we have extended our ability to welcome community screenings, school screenings, film festivals and special events. These events have represented the range of our local community, representing the many different cultural groups on our doorstep, the LGBTQ community, our older audience, and campaigning groups. The second screen has been transformative in allowing us to do this even more.

Our staff are also part of our community and their performance has been significant this year, with customers noticing the improvement in customer service and morale.

FINANCIAL REVIEW

Financial position

The figures to March 2018 show an improvement in the cinema's financial figures compared to 2016-2017, with a small but meaningful profit.

This is partly due to the absence of a one-off event like the redundancies of the previous year, but also recognises the income from the RIOGeneration project and a generally better performance of our films, bar and café takings and private hires. Compared to the previous year, ticket sales are up £95,000 and bar and confectionary sales up £36,000 - we are delighted that we are attracting more patrons and that those who attend are spending more per head than ever and bringing us closer to an industry standard. The staff of the Rio is to be thanked for their hard work this year in ensuring we have surpassed our targets in these areas. It remains a key aim for the coming years that we can offer staff the London Living Wage, when affordable to do so.

Reserves policy

The trustees deem it prudent to hold three months running costs in current assets. The Charity currently holds less than the required reserves, due to the expenses required for RIOGeneration, but is satisfied that the performance of the cinema is good and these can be raised to a sustainable level thanks to the income generated by the RIOGeneration projects

THE RIO CENTRE (DALSTON) LIMITED

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2018**

FUTURE PLANS

We are planning to continue RIOGeneration, with a bar for the 2nd Screen, and an analysis of further options for better use of the building. We also plan to further our Sustainability endeavours and to assess the potential for introducing the London Living Wage. Any further major projects will be subject to the possibilities of raising further financing from grants and other funding sources.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01409066 (England and Wales)

Registered Charity number

277415

Registered office

107 Kingsland High Street
London
E8 2PB

Trustees

A Brooke

J Firkins

J Lessard

P Lyons

C Phillips

E C G Roe

Mrs A R Collins

C Casciani

M Reinink

Ms J Culley

Treasurer (from 6.7.16)

Treasurer (until 6.7.16)

Chair

- resigned 21.4.17

- appointed 21.4.17

Company Secretary

Ms A Rees

Auditors

Hewitt Warin Ltd

Chartered Accountants and Statutory Auditors

Harlow Enterprise Hub

Edinburgh Way

Harlow

Essex

CM20 2NQ

Solicitors

Dechert LLP

160 Queen Victoria Street

London

EC4V 4QQ

THE RIO CENTRE (DALSTON) LIMITED

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2018**

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Hewitt Warin Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Nov 8, 2018

Approved by order of the board of trustees on and signed on its behalf by:

Charles Phillips

Charles Phillips (Nov 8, 2018)

C Phillips - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RIO CENTRE (DALSTON) LIMITED**

Opinion

We have audited the financial statements of The Rio Centre (Dalston) Limited (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RIO CENTRE (DALSTON) LIMITED**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jeffrey Warin BSc FCA (Senior Statutory Auditor)
for and on behalf of Hewitt Warin Ltd
Chartered Accountants and Statutory Auditors
Harlow Enterprise Hub
Edinburgh Way
Harlow
Essex
CM20 2NQ

Nov 12, 2018
Date:

THE RIO CENTRE (DALSTON) LIMITED**STATEMENT OF FINANCIAL ACTIVITIES**
for the Year Ended 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	30,686	59,833	90,519	37,337
Charitable activities	4				
Cinema		719,389	-	719,389	608,488
Investment income	3	<u>15</u>	<u>-</u>	<u>15</u>	<u>22</u>
Total		750,090	59,833	809,923	645,847
EXPENDITURE ON					
Raising funds	5	265,936	-	265,936	192,031
Charitable activities	6				
Cinema		<u>477,484</u>	<u>28,874</u>	<u>506,358</u>	<u>461,037</u>
Total		743,420	28,874	772,294	653,068
Exceptional Items		<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,371)</u>
NET INCOME/(EXPENDITURE)		6,670	30,959	37,629	(65,592)
RECONCILIATION OF FUNDS					
Total funds brought forward		97,642	221,603	319,245	384,837
TOTAL FUNDS CARRIED FORWARD		<u>104,312</u>	<u>252,562</u>	<u>356,874</u>	<u>319,245</u>

The notes form part of these financial statements

THE RIO CENTRE (DALSTON) LIMITED**BALANCE SHEET**
At 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total funds £
FIXED ASSETS					
Tangible assets	13	79,188	272,369	351,557	277,731
CURRENT ASSETS					
Stocks	14	7,252	-	7,252	3,855
Debtors	15	18,502	-	18,502	12,595
Cash at bank and in hand		<u>126,673</u>	<u>(19,808)</u>	<u>106,865</u>	<u>112,013</u>
		152,427	(19,808)	132,619	128,463
CREDITORS					
Amounts falling due within one year	16	(110,974)	-	(110,974)	(86,949)
NET CURRENT ASSETS/(LIABILITIES)		<u>41,453</u>	<u>(19,808)</u>	<u>21,645</u>	<u>41,514</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		120,641	252,561	373,202	319,245
CREDITORS					
Amounts falling due after more than one year	17	(16,328)	-	(16,328)	-
NET ASSETS		<u>104,313</u>	<u>252,561</u>	<u>356,874</u>	<u>319,245</u>
FUNDS	19				
Unrestricted funds				104,313	97,642
Restricted funds				<u>252,561</u>	<u>221,603</u>
TOTAL FUNDS				<u>356,874</u>	<u>319,245</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

Nov 8, 2018

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

Charles Phillips

Charles Phillips (Nov 8, 2018)

C Phillips -Trustee

J Firkins

J Firkins -Trustee

The notes form part of these financial statements

THE RIO CENTRE (DALSTON) LIMITED**CASH FLOW STATEMENT**
for the Year Ended 31 March 2018

	Notes	31.3.18 £	31.3.17 £
Cash flows from operating activities:			
Cash generated from operations	1	83,306	46,271
Interest paid		<u>(4,323)</u>	<u>(6,596)</u>
Net cash provided by (used in) operating activities		<u>78,983</u>	<u>39,675</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(113,389)	(7,309)
Exceptional Items		-	(58,371)
Interest received		<u>15</u>	<u>22</u>
Net cash provided by (used in) investing activities		<u>(113,374)</u>	<u>(65,658)</u>
Cash flows from financing activities:			
New loans in year		53,546	-
Loan repayments in year		<u>(24,303)</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>29,243</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>(5,148)</u>	<u>(25,983)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>112,013</u>	<u>137,996</u>
Cash and cash equivalents at the end of the reporting period		<u>106,865</u>	<u>112,013</u>

The notes form part of these financial statements

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.18	31.3.17
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	37,629	(65,592)
Adjustments for:		
Depreciation charges	39,563	29,659
Losses on investments	-	58,371
Loss on disposal of fixed assets	-	3,116
Interest received	(15)	(22)
Interest paid	4,323	6,596
Increase in stocks	(3,397)	-
(Increase)/decrease in debtors	(5,907)	6,086
Increase in creditors	<u>11,110</u>	<u>8,057</u>
Net cash provided by (used in) operating activities	<u>83,306</u>	<u>46,271</u>

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31 March 2018**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements and assessment of going concern

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- at varying rates on cost
Fixtures and fittings	- 10% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash, current bank accounts and deposit bank accounts with no withdrawal limitations.

Creditors

Creditors are recognised where then charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

THE RIO CENTRE (DALSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 March 2018**1. ACCOUNTING POLICIES - continued****Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The accounts have been prepared on a going concern basis.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially settled at transaction value and subsequently measured at their settlement value.

2. DONATIONS AND LEGACIES

	31.3.18	31.3.17
	£	£
Donations	52,727	6,379
Friends of Rio	27,792	20,316
Grants	<u>10,000</u>	<u>10,642</u>
	<u>90,519</u>	<u>37,337</u>

Grants received, included in the above, are as follows:

	31.3.18	31.3.17
	£	£
Europa Cinemas	-	10,642
Swire	<u>10,000</u>	<u>-</u>
	<u>10,000</u>	<u>10,642</u>

3. INVESTMENT INCOME

	31.3.18	31.3.17
	£	£
Deposit account interest	<u>15</u>	<u>22</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.18	31.3.17
		£	£
Film ticket sales	Cinema	496,102	401,803
Bar, confectionery & misc sales	Cinema	142,865	106,624
Screen advertising	Cinema	22,927	27,829
Hire	Cinema	52,782	51,021
School screenings	Cinema	4,713	11,265
Miscellaneous income	Cinema	<u>-</u>	<u>9,946</u>
		<u>719,389</u>	<u>608,488</u>

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2018

5. RAISING FUNDS

Other trading activities

	31.3.18	31.3.17
	£	£
Purchases	<u>265,936</u>	<u>192,031</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 7)	Totals
	£	£	£
Cinema	<u>486,933</u>	<u>19,425</u>	<u>506,358</u>

7. SUPPORT COSTS

	Governance costs
	£
Cinema	<u>19,425</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.18	31.3.17
	£	£
Auditors' remuneration	3,625	3,625
Depreciation - owned assets	39,563	29,660
Deficit on disposal of fixed asset	<u>-</u>	<u>3,116</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Key management remuneration

The trustee's consider the Key Management to consist of Executive Director, Assistant General Manager, Venue Manager and Audience Development Officer.

During the year the Key Management received remuneration totalling £109,791 (2017: £93,015) During 2017 a member of key management was made redundant and received a payment of £6,761.

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2018

10. STAFF COSTS

	31.3.18	31.3.17
	£	£
Wages and salaries	282,143	277,441
Social security costs	13,769	13,415
Other pension costs	<u>3,261</u>	<u>3,402</u>
	<u>299,173</u>	<u>294,258</u>

	31.3.18	31.3.17
	£	£
Wages and salaries	282,143	318,158
Social security costs	13,769	13,415
Other pension costs	<u>3,261</u>	<u>3,402</u>
	<u>299,172</u>	<u>334,975</u>

The average monthly number of employees during the year was as follows:

31.3.18	31.3.17
<u>35</u>	<u>14</u>

No employees received emoluments in excess of £60,000.

During the year no employees (2017: 11) were made redundant and received payments totalling £0 (2017: £26,553).

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2018

11. EXCEPTIONAL ITEMS

During the previous year the charity incurred a number of one-off costs, which are outside of the ordinary operations of the organisation and have therefore been shown as exceptional items in order to provide a comparable operating surplus for the year.

Restructuring

The charity has undergone a major restructuring in the previous year, which included capital investment and redundancy costs. There are as follows:

	£	£
Funding received from Creative Skillset for consultancy costs		(7,244)
Consultancy costs	11,800	
Redundancy and pay in lieu of notice	40,716	
		<u>52,516</u>
		<u>45,272</u>

RioGeneration expenses

During the previous year the charity embarked on a re-generation of the cinema, one-off costs in the year were:

	£
Fundraising fees	6,750
Architects fees	5,000
Fundraising film	<u>1,349</u>
	<u>13,099</u>

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	33,579	3,758	37,337
Charitable activities			
Cinema	608,488	-	608,488
Investment income	<u>22</u>	<u>-</u>	<u>22</u>
Total	642,089	3,758	645,847
EXPENDITURE ON			
Raising funds	192,031	-	192,031
Charitable activities			
Cinema	<u>448,357</u>	<u>12,680</u>	<u>461,037</u>
Total	640,388	12,680	653,068
Net gains/(losses) on investments	<u>(45,272)</u>	<u>(13,099)</u>	<u>(58,371)</u>
NET INCOME/(EXPENDITURE)	(43,571)	(22,021)	(65,592)

THE RIO CENTRE (DALSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 March 2018**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	141,213	243,624	384,837
TOTAL FUNDS CARRIED FORWARD	<u>97,642</u>	<u>221,603</u>	<u>319,245</u>

13. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Totals £
COST			
At 1 April 2017	389,580	452,115	841,695
Additions	-	113,389	113,389
At 31 March 2018	<u>389,580</u>	<u>565,504</u>	<u>955,084</u>
DEPRECIATION			
At 1 April 2017	159,581	404,383	563,964
Charge for year	<u>11,400</u>	<u>28,163</u>	<u>39,563</u>
At 31 March 2018	<u>170,981</u>	<u>432,546</u>	<u>603,527</u>
NET BOOK VALUE			
At 31 March 2018	<u>218,599</u>	<u>132,958</u>	<u>351,557</u>
At 31 March 2017	<u>229,999</u>	<u>47,732</u>	<u>277,731</u>

If leasehold property has not been revalued it would have been included at its historical cost of £9,000.

Leasehold property was valued at open market value on 31 March 2005 by the management committee on the basis of the annual rent due over the remaining period of the lease.

The Rio Cinema has a tri-partite agreement with Dcinex, the supplier of a digital projector and server which is held as a fixed asset. The agreement is that for every film shown from DCP (Digital Cinema Package) within the first five weeks of its release, the distributor will pay a VPF (Virtual Print Fee) to the supplier. Where a film is shown digitally but not from DCP (e.g. from DVD or Blu-ray) or where a film does not have UK distribution, the Rio Cinema pays a VPF. Payments made by the Rio Cinema are capitalised in the year of expenditure.

The digital projector is valued at £51,350

14. STOCKS

	31.3.18 £	31.3.17 £
Confectionery	<u>7,252</u>	<u>3,855</u>

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2018

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Trade debtors	6,495	4,053
Prepayments	<u>12,007</u>	<u>8,542</u>
	<u>18,502</u>	<u>12,595</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Bank loans and overdrafts (see note 18)	12,915	-
Trade creditors	55,195	31,731
Social security and other taxes	5,620	4,880
VAT	23,562	28,142
Other creditors	10,057	8,605
Accrued expenses	<u>3,625</u>	<u>13,591</u>
	<u>110,974</u>	<u>86,949</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.18	31.3.17
	£	£
Bank loans (see note 18)	<u>16,328</u>	<u>-</u>

18. LOANS

An analysis of the maturity of loans is given below:

	31.3.18	31.3.17
	£	£
Amounts falling due within one year on demand:		
Loans	<u>12,915</u>	<u>-</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>16,328</u>	<u>-</u>

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2018

19. MOVEMENT IN FUNDS

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
Unrestricted funds				
General fund	97,642	11,695	(50,242)	59,095
RioGeneration	-	(5,024)	50,242	45,218
	97,642	6,671	-	104,313
Restricted funds				
Revaluation reserve	229,999	(11,400)	-	218,599
Refurbishment fund	2,125	(2,125)	-	-
RioGeneration fund	(10,521)	44,483	-	33,962
	221,603	30,958	-	252,561
TOTAL FUNDS	<u>319,245</u>	<u>37,629</u>	<u>-</u>	<u>356,874</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	750,090	(738,395)	11,695
RioGeneration	-	(5,024)	(5,024)
	750,090	(743,419)	6,671
Restricted funds			
RioGeneration fund	59,833	(15,350)	44,483
Revaluation reserve	-	(11,400)	(11,400)
Refurbishment fund	-	(2,125)	(2,125)
	59,833	(28,875)	30,958
TOTAL FUNDS	<u>809,923</u>	<u>(772,294)</u>	<u>37,629</u>

THE RIO CENTRE (DALSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 March 2018**19. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
Unrestricted Funds			
General fund	141,213	(43,571)	97,642
Restricted Funds			
Revaluation reserve	241,499	(11,500)	229,999
Refurbishment fund	2,125	-	2,125
RioGeneration fund	-	(10,521)	(10,521)
	243,624	(22,021)	221,603
TOTAL FUNDS	384,837	(65,592)	319,245

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	642,089	(640,388)	(45,272)	(43,571)
Restricted funds				
RioGeneration fund	3,758	(1,180)	(13,099)	(10,521)
Revaluation reserve	-	(11,500)	-	(11,500)
	3,758	(12,680)	(13,099)	(22,021)
TOTAL FUNDS	645,847	(653,068)	(58,371)	(65,592)

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2018.

21. GUARANTEE STATUS

The company is limited by guarantee, which means that every member undertakes to contribute to the assets of the company in the event of a winding up, including any member up to one year after ceasing to be a member, such amounts as may be required not exceeding one pound.