

Company registration number: 2444438

Charity registration number: 1002020

**SHEFFIELD MEDIA AND EXHIBITION
CENTRE LIMITED**

CONSOLIDATED ANNUAL REPORT

YEAR ENDED 31 MARCH 2021



SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED
ANNUAL REPORT
YEAR ENDED 31 MARCH 2021

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SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The trustees (who are also directors of Sheffield Media and Exhibition Centre Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

Reference and Administration Details

Official name of charity: Sheffield Media and Exhibition Centre Limited

Charity registration number: 1002020

Company registration number: 2444438

Directors and Trustees: B Moffett (Chair)
C M Pons
S Sanderson – resigned on 30th November 2020
D Gormley
M Ellis
A Davenport
B Hamilton-Tweedale
M Drabble
M Kanarek
T Kennick
H Taylor-Smith
N Belfield
J Dobson
J Roy – appointed 27th July 2020; resigned 28th May 2021

Chief Executive: I Wild

Secretary and Registered Office: J Simpson
15 Paternoster Row
Sheffield
S1 2BX

Bankers: Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

Auditors: Hawsons Chartered Accountants
Statutory Auditors
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Solicitors: Knights plc
Commercial House
14 Commercial Street
Sheffield
S1 2AT

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Constitution

Sheffield Media and Exhibition Centre Limited is a charity (No. 1002020) and a company limited by guarantee (No. 2444438).

Structure, governance and management

Governing document

The charity is governed by the Memorandum and Articles of Association dated 30 October 1989.

Organisation

A board of trustees of between 9 and 21 members, who are also Directors of the Parent Company, administers the charity. During the year the board met on a monthly basis.

The Directors have established a Finance and Operations Subcommittee which meets each month with the senior management team to review the management accounts and to receive reports on the financial position of the company and any relevant operational issues or initiatives. The chair of the subcommittee reports any notable financial matters to the charity board. The subcommittee is open to all directors to attend but four directors have undertaken specific responsibility to attend each month:

A Davenport
B Moffett
C Pons
H Taylor-Smith

There is also an Employment Subcommittee which meets several times a year as required and reviews our employment policies as well as considering any matters pertaining to staff. Two directors attend the meetings as well the Chief Executive and The HR Manager:

J Roy
C Pons
B Moffett

The board has also established an Education and Culture Subcommittee which meets 4 times a year and oversees the programme and education activities of the company. The subcommittee is open to all directors to attend but four directors have undertaken specific responsibility to attend:

H Taylor-Smith
S Sanderson
M Ellis
B Hamilton-Tweedale

Sheffield City Council and The Chamber of Commerce are each entitled to nominate up to two trustees to the Board, and observer status at board meetings is offered to our two largest funding bodies, The British Film Institute and Sheffield City Council.

A Chief Executive is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within the terms of the delegation approved by the trustees, for operational matters.

Recruitment of trustees

Elected trustees are recruited through a combination of targeted recruitment, board banks and open advertising. Consideration is given to the skills of the current board and the needs of the organisation. New elected trustees are appointed by a vote. Generally, a trustee is expected to remain on the Board for a period of three years with the possibility of being re-elected for a second three-year term of office. Should a trustee fail to attend for three consecutive meetings, their position can be reconsidered.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Structure, governance and management (continued)

Trustee induction and training

Prior to appointment and proposed new trustee will meet with the Chief Executive and Chair to discuss the role and expectations. They will also undertake an induction giving them an understanding of the business plan, operating strategy, aims and objectives, and their obligations as trustees. We also have in place a formal induction procedure and handbook for new trustees.

Structure

The charity carried out its activities through the charitable holding company and a 100% owned subsidiary listed below.

<u>Subsidiary</u>	<u>Activity</u>
Paternoster Limited	Development and letting of managed workspace Provision of conference facilities Operation of the Showroom Bar and Café

Purposes and activities for the public benefit

Showroom Workstation aspires to be the centre for film and creativity in the north of England and a cultural leader for Sheffield City region. A prestigious cinema centre and workspace complex for the creative and digital industries, providing a platform for film exhibition, film production, new media and related activity; a space that encourages people to find their potential in discovering, enjoying, learning about and working in the cultural industries.

Objectives

The organisation adopted the below five aims in 2017:-

- Actively programme our cinemas to ensure we achieve the greatest diversity in our film selection, education opportunities and audience engagement.
- Provide the highest quality hospitality and consistent customer service and become a destination place for local audiences and creative people leading to increased income.
- Be a leading centre for creative industries, actively supporting enterprise through high quality business location and pro-active support services.
- Provide cultural leadership for the film sector, locally, regionally and nationally.
- Build financial stability supported by a robust management and governance structure and training programme to support our staff in delivering our business goals.

The trustees are preparing a new three-year plan intended to cover the next period of operation from 2022. Development of the plan was delayed, following the covid-19 shutdown in favour of a short-term recovery plan.

Strategies and activities

In shaping our strategies for the year, and planning activities, the trustees have considered the Charity Commission's guidance on public benefit and fee charging. The cinema relies on grants, income from fees and charges and the profit from commercial activity undertaken by the wholly owned trading company to cover its operating costs. In setting the level of charges the trustees have considered the accessibility of those people on low incomes and provides discounted ticket prices to several groups including older and retired customers as well as young people. The trust has also developed strategies to promote engagement activity to the wider community by employing a staff member to do this work.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Strategies and Activities (continued)

In putting our objectives into action, we have concentrated on the development and exhibition of film screening programmes and the delivery of related outreach and engagement activities. This has particularly focussed on young people, although not exclusively, and our programmes appeal to a very broad range of users and participants. We have also developed and operate a range of annual festivals both directly and through working with partners.

Principle risks and uncertainties

The trustees consider a risk assessment for the organisation within the context of our business plan. The risk assessment is reviewed and updated annually. It identifies the risks to which the Group is, and is likely to be, exposed. The trustees regularly monitor progress and implement a risk management strategy comprising:

- annual review of the risks facing the Group;
- the maintenance of effective systems and procedures to mitigate those risks; and
- the introduction of procedures to deal with the potential impact of any of those risks materialising.

This was an extremely difficult year for the organisations with only six weeks trading in the cinema and café/bar. The Workstation also saw reductions in tenancies through the nationwide shutdown. The trustees of the charity continued to meet on a regular basis throughout this period using online software. Whilst many of our staff joined the national furlough scheme, key members of the senior team continued to work throughout this period.

Covid-19

The Covid 19 pandemic significantly impacted on the organisations ability to trade over the entire year 2020-21. The national lockdown which started in March 2020 continued through the full financial year with the exception of a short period from 18th September to 4th November. In this period the cinema and café bar reopened to the public prior to a new lockdown commencing. The cinema finally reopened on 17th May 2021. During this period the Workstation business centre remained open with limited services available.

During the lockdown we applied for several Government support grants to help us cover operating costs. These awards, along with support from the Cultural Recovery Fund allowed us to continue operating and retain most of our staff teams. In Q4, we began planning our reopening, and rebuilding our audiences, engaging new people, and building new habits around film exploration and discovery for the people of Sheffield.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Cinema

As part of the national lockdown, Showroom Cinema closed on 19th March 2020 and did not reopen until 18th September 2020. On that date, we were able to briefly reopen for just under 7 weeks before closing again on 4th November 2020 for the rest of the financial year, and finally reopening for a second time on 17th May 2021.

Whilst we were briefly open, engagement with young audiences remained relatively reliable. Where sales amongst other age groups fell significantly by over 50%, sales through our Cine26 membership scheme for people aged 15-26 fell by less than 20%, when compared to the same months in previous years. This was in part because older audiences and those in higher-risk groups felt less safe returning to cinemas, however we also believe that a diverse programme with a high number of titles that were enticing to, and representative of, young people were also key factors. We also saw high engagement from young audiences across weekly screenings of archive and classic film.

The cinema operated on significantly reduced staff numbers and most of our programme team found other employment or were on furlough. As a result, our education and outreach activities had to be suspended for this financial year.

Festivals

During the short period of reopening, we organised four film festivals as large events, working with external partners which proved to be popular with audiences.

- Sheffield DocFest arranged a programme of four short weekend film screenings based on the themes of the festival which had been planned for June 2020, but ultimately had to be cancelled. Eventually the final weekend of events was also cancelled due to the second lockdown period. Each of the weekends increased audiences with the final one of the three recording the highest sales.
- Sheffield Adventure Film Festival (ShAFF) had to be cancelled at the start of the original lockdown in March 2020. When we reopened, we rearranged many elements of the festival to allow customers who had already purchased tickets to redeem them and to help to engage new patrons.
- Celluloid Screams horror film festival took place during the reopening period. The festival adjusted and scaled back its plans to ensure that social distancing could be maintained over a weekend of screenings. The festival operated as a delegate only event with weekend passes and no single tickets on sale. All the available passes did sell out.
- London Film Festival (LFF) is a new partner event with some high-profile new films playing simultaneously with London premiers. The festival was a great success with audiences with several sell out screenings. The festival will become an annual feature in our programme.

BFI Partnership

During the lockdown we worked closely with the British Film Institute who provided significant financial support. The agreed audiences award was drawn down as usual despite the cinema not operating. We also received support for Film Hub North and the Youth Film Academy, with both projects proceeding in scaled back forms.

Youth Film Academy

As it was not possible or safe to organise the annual Youth Film Academy in autumn 2020, the training course for 15-18yo was re-thought and took place as an on-line event. The course met all diversity targets and led to an increase in participation for people with a disability, due to greater access on-line. The linked Residential Film Academy event did not take place, although the agreed funding for the event was rolled forward into 2021. We also successfully applied for financial support to organise a new pilot course for 12-15-year-olds in Doncaster called Film Club. These two programmes took place on-line in January and May 2021 and were felt to have been successfully delivered as on-line activity, meeting all participation and diversity targets.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Film Hub North

Work on elements of the Film Hub North project continued where possible although part of our activity had to be suspended. The talent development work continued in an on-line format, which included training and skill development programmes. We also continued to provide support for short film production through BFI Network, although many of the film productions had to be postponed or delayed.

Environmental Policy

Showroom Workstation recognises the severity of the climate crisis and acknowledges we have a responsibility to the environment beyond legal and regulatory requirements. We have therefore committed to reducing our environmental impact and to continually improving our sustainability. We intend to meet Government targets to become net zero carbon use by 2050.

Work on reducing our environmental impact continued this year despite the lockdown. A Green Steering Group was established with representation from across the organisation. We also began monitoring our carbon use through an online tool, to provide an annual comparison of progress.

Specific new initiatives this year include changing our building electricity supplier to a green provider. The building is heated through a district heating system with fuel from domestic refuse. We also invested in new segmentation bins for building waste which are distributed in public and tenant areas of the building.

Equality and Diversity

Showroom Workstation has an organisational commitment to increasing diversity across all our areas of activity. We want our organisation to be anti-discriminatory with a culture that is open to all regardless of background or circumstances. In developing our plans to achieve this we have been successfully accredited to the Investors in Diversity (IID) standard since 2017 (reaccredited in 2019 and again in 2021). We use the IID standard as a method of internally and externally evaluating our progress. We have also committed to achieving the BFI Diversity Standards for all our activity.

We have approached our commitment to diversity with three priorities.

- Diversifying our organisation including governance, management, and staff to ensure that we are fully representative of our community.
- Ensuring our film and cultural programme reflects the widest range of diversity and that we actively program and work for all our communities.
- Proactively engaging with our audiences and local communities to ensure we are open and welcoming to all.

Operational plans for all these areas of activity are in place, overseen by an organisational wide steering group. The Employment Sub-Committee of the board receives regular reports on our progress and development plans.

Black Lives Matter

The Black Lives Matter protests were a pivotal moment in our thinking about how we can continue to become a more diverse and anti-discriminatory organisation. Our board issued a statement of support, and we established a staff working party to make recommendations to our trustees about how the organisation can become more proactive in removing barriers to black citizens and to counter white privilege. We have undertaken new training for our managerial and supervisory staff involved in recruitment which included unconscious bias awareness raising. Our recruitment practice was also updated to ensure any suitably skilled candidate from a diverse background is guaranteed interview for any post we advertise. We have also set our own recruitment targets for diversity among new employees.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Paternoster Limited

Through our subsidiary company, Paternoster Limited, we continued to operate our trading activities which include our café/bar and conference activity as well as the Workstation creative industries business centre.

Catering and Conferences

The Showroom café/bar closed on the same dates as the cinema, with most members of staff moving onto the Government Furlough scheme. Although we operated a full service during our period of reopening, sales lagged behind our usual level at the same ratio as cinema box office sales. Sales for conferences did not recover at this time with very little activity taking place.

Workstation

The national lockdown had an immediate negative impact on tenants in the Workstation, many of whom quickly ran into financial difficulties. Since March 2020 thirteen companies have moved out of the building, equating to 11.7% occupancy reduction. To support our tenants, we launched a rent deferral scheme in the initial lockdown period. This offer was taken up by twenty-four tenants. This support helped us retain companies in the building and to maintain occupancy levels. Following the end of the lockdown many organisations returned to the building and occupancy quickly increased. All tenants who chose to defer rent have now repaid the deficit. Occupancy is gradually recovering following the end of the national lockdown.

Facilities and Refurbishment

Throughout the lockdown we took the opportunity to undertake a programme of repairs and maintenance. Much of this work would not have been easily possible whilst the cinema and café/bar was operating. Our maintenance team remained at work to oversee these upgrades.

- Toilets in the Workstation reception area were refurbished and expended. A new toilet block was constructed in the building increasing overall capacity.
- A new 4k digital projector was installed in cinema 4 with an upgraded sound system to Dolby 7.1. New cinema screens were installed in all auditoriums.
- All the cinema auditoriums and café/bar areas were repainted and recarpeted. Seating was re-upholstered and cleaned.
- The faulty drainage pipes in the ceiling above cinema 3 were replaced.
- A new electric door was installed in the bar to facilitate wheelchair access.

New hearing loops were installed in all the auditoriums, the box office area, and the Workstation reception desk.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Financial Review

As part of our business plan and following discussion with our bank we restructured our financial profile, consolidating our term loan from 31 March 2014 and agreeing a new overdraft arrangement. The bank loan of £470,000 was to be repaid over seven years. The loan was reduced to £38,081 at March 2021. Due to the pandemic, we arranged with our bank to defer 6 month's capital repayments and extend our loan term by the deferred months to September 2021. Our overdraft arrangement was reviewed at the same time and a new facility put in place.

The commercial trading subsidiary company Paternoster Limited had a loss for the year. Trading of the café bar and conferencing activity was reduced to just 6 weeks during 20-21. The restrictions imposed during the year also impacted the managed workspace operations, which showed a decrease in occupancy and as a result made a loss for the year due to the pandemic.

Overall, the group saw an improved performance compared to the previous year, with a surplus for the year of £195,840 (prior year deficit £64,072). The charity's individual position, as detailed on page 13, shows a profit of £458,230 (prior year deficit £109,507). This includes support from the BFI Cultural Recovery Fund, not just for 20-21 but through to re-opening in 21-22. Funding received through the pandemic in 20-21, will enable the charity and Group as a whole to re-open successfully in May 2021.

Capital Investment Plans

Our budget for Capital expenditure was suspended at the start of lockdown. We maintained committed projects but deferred starting new projects. The principal area of capital investment in 2020-21 was a new 4k digital projector and upgrade of the sound system to dolby 7.1 in cinema 4. This was part of an overall cinema refurbishment programme across the venue. We also purchased automatic accessible doors for one of the main entrances to the building.

In future years we plan to continue our investment in our comprehensive building refurbishment plan and following completion of the internal refurbishment we plan to improve the external elevation of the building.

Principal external funding sources

In this financial year the charity worked closely with Sheffield City Council, and the British Film Institute, which provided funding to enable the organisation to carry out its charitable objectives. In addition, a number of project and education grants were obtained from several sources, including Europa Cinemas.

Investments and reserves

Under the memorandum and articles of association, the charity has the power to make any investments that the trustees see fit in order to further the objects of the charity.

The reserves of the Group are represented largely by capital grants and property revaluation surpluses. These elements are regarded as the representation of the Group's fixed assets and are therefore, in effect, not available for any other purpose. In addition to the existing sinking fund, which is funded through the tenants' service charge, each year the trustees intend to earmark further funds from the unrestricted income reserve to meet the longer-term maintenance requirements of the building. Our strategic plans are shared with our bankers, Unity Trust Bank Plc, which has indicated its willingness to continue its valuable support.

The Trustees aspire to maintain sufficient free reserves to respond to short term fluctuations in funding levels. This will be reviewed by the Board as part of the ongoing financial management of the Group.

The reserves have increased within the year, this is due to the funding support from the BFI Cultural Recovery Fund, which will support the Group through into the next financial year.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102)
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for maintaining proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company, and enables them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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.

Statement of disclosure to auditors

The trustees of the charitable company who held office at the date of approval of this Annual Report each confirm that:

- as far as they are aware, there is no relevant audit information (information needed by the charitable company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to take as trustees in order to make themselves aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

A resolution will be proposed at the Annual General Meeting that Hawsons be re-appointed as auditors to the charity for the ensuing year.

The report of the trustees has been prepared in accordance with the special provisions of Part VII of the Companies Act 2006.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors. On behalf of the board;

A Davenport
Sheffield


.....14/12/2021

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

Opinion

We have audited the financial statements of Sheffield Media and Exhibition Centre Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated and Parent Statement of Financial Activities, Consolidated and Parent the Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, 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 Auditor's 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED (continued)

Opinions 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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 9), 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED (continued)

The charitable company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charitable company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006, Health and Safety regulations and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the charitable company to obtain an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Bladen, Senior Statutory Auditor

For and on behalf of Hawsons Chartered Accountants, Statutory Auditors

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Date: 16 December 2021

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

**CHARITABLE COMPANY STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	2021 Total £	2020 Total £
Incoming Resources						
Donations and legacies	2	777,147	873,964	-	1,651,111	1,032,775
Investment income	4	28,000	-	-	28,000	28,000
Charitable activities	5	139,774	-	-	139,774	833,716
Other income	6	162,563	-	-	162,563	-
Total incoming resources		1,107,484	873,964	-	1,981,448	1,894,491
Resources expended						
Costs of generating voluntary income	9	10,000	-	-	10,000	10,000
Raising funds	10	-	-	-	-	-
Charitable activities	11	682,971	813,137	-	1,496,108	1,977,608
Other	12	17,110	-	-	17,110	16,390
Total resources expended		710,081	813,137	-	1,523,218	2,003,998
Net incoming / (outgoing) resources before transfers		397,403	60,827	-	458,230	(109,507)
Transfers	24	72,367	-	(72,367)	-	-
Other recognised losses						
Loss on disposal of subsidiary	7	-	-	-	-	(2)
Net movement in funds		469,770	60,827	(72,367)	458,230	(109,509)
Funds brought forward		727,049	85,036	1,840,846	2,652,931	2,762,440
Funds carried forward		1,196,819	145,863	1,768,479	3,111,161	2,652,931

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	2021 Total £	2020 Total £
Incoming resources						
Donations and legacies	2	1,138,056	873,964	-	2,012,020	1,032,775
Activities for generating funds	3	719,332	-	-	719,332	3,759,900
Charitable activities	5	79,774	-	-	79,774	741,716
Other income	6	162,563	-	-	162,563	-
Total incoming resources		2,099,725	873,964	-	2,973,689	5,534,391
Resources expended						
Costs of generating voluntary income	9	10,000	-	-	10,000	10,000
Raising funds	10	1,262,183	-	-	1,262,183	3,588,448
Charitable activities	11	675,419	813,137	-	1,488,556	1,963,713
Other	12	17,110	-	-	17,110	36,302
Total resources expended		1,964,712	813,137	-	2,777,849	5,598,463
Net incoming / (outgoing) resources before transfers		135,013	60,827	-	195,840	(64,072)
Transfers	24	72,367	-	(72,367)	-	-
Other Recognised Losses						
Loss on disposal of subsidiary	7	-	-	-	-	(71,775)
Net movement in funds		207,380	60,827	(72,367)	195,840	(135,847)
Funds brought forward		1,933,879	85,036	1,840,846	3,859,761	3,995,608
Funds carried forward		2,141,259	145,863	1,768,479	4,055,601	3,859,761

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED
COMPANY REGISTRATION NUMBER 2444438

BALANCE SHEETS

31 MARCH 2021

	Notes	31 March 2021		31 March 2020	
		Group £	Company £	Group £	Company £
FIXED ASSETS					
Tangible fixed assets	19	4,672,307	2,034,400	4,774,517	2,094,074
Investment in subsidiaries	20	-	2	-	2
		<u>4,672,307</u>	<u>2,034,402</u>	<u>4,774,517</u>	<u>2,094,076</u>
CURRENT ASSETS					
Stock		9,089	-	8,437	-
Debtors	21	307,316	567,580	211,258	536,501
Cash at bank and in hand		222,935	853,267	196,015	548,389
		<u>539,340</u>	<u>1,420,847</u>	<u>415,710</u>	<u>1,084,890</u>
CREDITORS – amounts falling due within one year	22	(695,487)	(344,088)	(850,444)	(488,027)
Net current assets/ (liabilities)		<u>(156,147)</u>	<u>1,076,759</u>	<u>(434,734)</u>	<u>596,863</u>
Total assets less current liabilities		4,516,160	3,111,161	4,339,783	2,690,939
CREDITORS – amounts falling due after one year	23	-	-	(38,008)	(38,008)
Deferred income	23	(460,559)	-	(442,014)	-
		<u>(460,559)</u>	<u>-</u>	<u>(442,014)</u>	<u>-</u>
NET ASSETS		<u>4,055,601</u>	<u>3,111,161</u>	<u>3,859,761</u>	<u>2,652,931</u>
CHARITY FUNDS					
Restricted capital fund	25	1,768,479	1,768,479	1,840,846	1,840,846
Restricted income funds	25	145,863	145,863	85,036	85,036
Unrestricted funds	26	947,634	1,196,819	723,903	727,049
Revaluation reserve	26	1,193,625	-	1,209,976	-
TOTAL CHARITY FUNDS		<u>4,055,601</u>	<u>3,111,161</u>	<u>3,859,761</u>	<u>2,652,931</u>

The financial statements were approved by the board of trustees on 14/12.....2021 and signed on its behalf by:



A Davenport - Trustee

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flow from operating activities	27	203,720	119,397
Cash flow from investing activities			
Payments to acquire tangible fixed assets		<u>(130,477)</u>	<u>(150,082)</u>
Net cash flow from investing activities		<u>(130,477)</u>	<u>(150,082)</u>
Cash flow from financing activities			
Repayment of long-term loans		(43,513)	(66,370)
Interest paid		(2,810)	(4,574)
Net cash flow from financing activities		<u>(46,323)</u>	<u>(70,944)</u>
Net increase / (decrease) in cash and cash equivalents		26,920	(101,629)
Cash and cash equivalents at 1 April		196,015	297,644
Cash and cash equivalents at 31 March		<u>222,935</u>	<u>196,015</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		222,935	196,015
Short term deposits		-	-
Cash and cash equivalents at 31 March		<u>222,935</u>	<u>196,015</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

STATUTORY INFORMATION

Sheffield Media and Exhibition Centre Limited is a charity (No. 1002020) and a company limited by guarantee (No. 2444438) domiciled in England and Wales. The registered office is at 15 Paternoster Row, Sheffield, S1 2BX.

BASIS OF PREPARATION

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, 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 Accounting Practice.

GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The Consolidated Statement of Financial Activities on page 14 shows a surplus for the year on unrestricted funds of £207,380, whilst the group Balance Sheet on page 15 indicates net current liabilities of £156,147. As the banking facilities are negotiated and secured on a group basis it is necessary to review the group results as a whole.

As regards 2021/22, the trustees envisage that, based upon actual results to date, forecast results to the end of the year and support available to the group through the Culture Recovery Fund, the group will operate to a small deficit for that year. The trustees have also considered the medium-term impact with the forecast prepared to cover 2022/23, which show the group operating at a small surplus. The company's bank continues to support the group. The trustees therefore consider that it is appropriate for the financial statements to be prepared on a going concern basis.

BASIS OF CONSOLIDATION

These financial statements consolidate the results of the charity and its wholly owned subsidiary, Paternoster Limited on a line by line basis.

GRANTS AND DONATIONS

Grants receivable are recognised in the Statement of Financial Activities when the conditions for receipt have been complied with.

Grants received for specific projects are accounted for as restricted funds.

Grants received in the trading subsidiaries are credited to a separate account from which amounts will be released to revenue over the depreciation period of the relevant assets.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

OPERATION OF CINEMA AND CENTRE HIRE – CHARITABLE TRADING ACTIVITIES

Operation of the cinema and centre comprises those costs that are directly attributable to the generation of income in the operation of the cinema.

ACTIVITIES FOR GENERATING FUNDS

This represents income generated by the trading subsidiaries to support the directly charitable activity carried out by the group.

RESOURCES EXPENDED

Expenditure is included on an accruals basis.

Costs of operation of the cinema and centre comprise those costs that are directly attributable to the generation of income in the operation of the cinema.

ALLOCATION OF COSTS

Costs directly related to an activity are allocated to that activity. Support costs which are necessary to deliver an activity but do not themselves deliver the activity, are allocated in proportion to the benefit attributable based on an internal assessment of time spent and resources used.

Governance costs are those costs incurred in meeting statutory and constitutional requirements.

Support costs include central functions and have been allocated to activity cost categories on the basis of time spent.

FUNDS

Incoming and outgoing resources are analysed between restricted capital fund, restricted and unrestricted income funds.

Restricted capital fund

This fund arises from grants received which were required to be invested in fixed assets for the company's use. An annual transfer is made to the unrestricted income fund for the depreciation on the restricted assets which is charged to the unrestricted income fund.

Unrestricted income fund

This fund is expendable at the discretion of the trustees in the furtherance of the objectives of the company and have not been designated for other purposes.

Restricted income fund

This fund arises from grants received which are required to be used for specific projects of a revenue nature.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS

Tangible fixed assets other than the long leasehold property held by Paternoster Limited, are included at original cost less accumulated depreciation.

The long leasehold property held by Paternoster Limited was previously held at valuation less accumulated depreciation. On transition to FRS102, the value at transition date, 1 April 2014, is taken as deemed cost and continues to be depreciated going forward.

Depreciation of fixed assets is provided at rates estimated to write off each asset over the term of its useful life.

The annual rates used are: -

Long leasehold land and buildings	1% - 2%	straight line
Fixtures and fittings	15% - 25%	straight line/reducing balance
Equipment	5% - 25%	straight line/reducing balance

STOCK

Stock is valued at the lower of cost and net realisable value.

FINANCE AND OPERATING LEASES

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of change.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

2. DONATIONS AND LEGACIES

	2021 £ Group	2021 £ Company	2020 £ Group	2020 £ Company
Unrestricted				
BFI	150,000	150,000	150,000	150,000
Sheffield City Council	76,672	51,672	11,500	11,500
Europa Cinemas	290	290	1,458	1,458
BFI – Cultural Recovery Fund	321,869	321,869	-	-
CJRS government grant	589,225	253,316	-	-
Total unrestricted	1,138,056	777,147	162,958	162,958
Restricted				
BFI - Film Hub North 2	632,152	632,152	617,700	617,700
BFI - Other	219,702	219,702	248,945	248,945
ICO	2,200	2,200	-	-
Screen Yorkshire	15,245	15,245	-	-
Department of Work and Pension	4,065	4,065	-	-
Dogwoof	500	500	-	-
Modern Films	100	100	-	-
AYA Distribution	-	-	167	167
UOS – Taking Lives	-	-	287	287
Film Feels	-	-	450	450
UK Jewish Film Festival	-	-	208	208
Cine North	-	-	1,000	1,000
Live – RIP Vine	-	-	360	360
Picture House – Kelly Gang	-	-	500	500
Live Cinema	-	-	200	200
Total restricted	873,964	873,964	869,817	869,817
Total voluntary income	2,012,020	1,651,111	1,032,775	1,032,775

3. ACTIVITIES FOR GENERATING FUNDS

	2021 £ Group	2021 £ Company	2020 £ Group	2020 £ Company
Letting of managed workspace	671,066	-	814,973	-
Film festival receipts	-	-	1,892,838	-
Commercial operations	48,266	-	1,052,089	-
	719,332	-	3,759,900	-

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

4. INVESTMENT INCOME

	2021 £ Group	2021 £ Company	2020 £ Group	2020 £ Company
Loan interest	-	28,000	-	28,000
	<u>-</u>	<u>28,000</u>	<u>-</u>	<u>28,000</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2021 £ Group	2021 £ Company	2020 £ Group	2020 £ Company
Unrestricted				
Box office receipts	35,937	35,937	656,029	656,029
Centre hire	18,282	18,282	28,550	60,550
Membership fees	22,314	22,314	25,405	25,405
Advertisement income	3,009	3,009	31,565	31,565
Management fee	-	60,000	-	60,000
Other income	232	232	167	167
	<u>79,774</u>	<u>139,774</u>	<u>741,716</u>	<u>833,716</u>

6. OTHER INCOME

	2021 £ Group	2021 £ Company	2020 £ Group	2020 £ Company
Unrestricted				
VAT credit – cultural exemption	162,563	162,563	-	-
	<u>162,563</u>	<u>162,563</u>	<u>-</u>	<u>-</u>

7. NET OUTGOING RESOURCES

	2021		2020	
	Group £	Company £	Group £	Company £
This is stated after charging:				
Operating lease rentals – land and buildings	-	6,000	-	6,000
Depreciation	232,687	123,439	225,464	118,632
Loss on disposal of fixed assets	-	-	7,673	-
Loss on disposal of subsidiary	-	-	71,775	2
Government and other grants receivable	(29,076)	-	(19,669)	-
	<u>(29,076)</u>	<u>-</u>	<u>(19,669)</u>	<u>-</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

8. AUDITOR'S REMUNERATION

The auditor's remuneration amounts to a fee of £10,470 (2020: £13,920) and £1,591 for other services (2020: £3,870).

9. COSTS OF GENERATING VOLUNTARY INCOME

	2021 £ Group	2021 £ Company	2020 £ Group	2020 £ Company
Support costs (note 13)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

10. RAISING FUNDS

	2021 £ Group	2021 £ Company	2020 £ Group	2020 £ Company
Managed workspace cost	749,601	-	797,870	-
Film festival costs	-	-	1,738,383	-
Commercial operations	<u>512,582</u>	<u>-</u>	<u>1,052,195</u>	<u>-</u>
	<u>1,262,183</u>	<u>-</u>	<u>3,588,448</u>	<u>-</u>

11. CHARITABLE ACTIVITIES

Cost of operation of cinema and centre hire

	2021 £ Group	2021 £ Company	2020 £ Group	2020 £ Company
Film performances and related costs				
Film hire	11,649	11,649	283,455	283,455
Project costs	180,586	180,586	215,836	219,945
Film Hub North grants disbursed	429,006	429,006	390,063	390,063
Centre costs				
Marketing costs	20,168	20,168	20,714	20,714
Wages and related costs	297,622	297,622	343,597	343,597
Printing and advertising	1,749	2,349	27,129	27,729
Depreciation – equipment	35,021	35,021	31,025	31,025
Credit card charges	2,428	2,428	14,217	14,217
Other expenses	2,432	2,432	20,757	20,757
	<u>980,661</u>	<u>981,261</u>	<u>1,346,793</u>	<u>1,351,502</u>
Support costs (note 13)	<u>507,895</u>	<u>514,847</u>	<u>616,920</u>	<u>626,106</u>
Total cost of charitable activities	<u>1,488,556</u>	<u>1,496,108</u>	<u>1,963,713</u>	<u>1,977,608</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

12. OTHER COSTS

	2021 £ Group	2021 £ Company	2020 £ Group	2020 £ Company
Audit fee	7,110	7,110	6,390	6,390
Support costs (note 13)	10,000	10,000	10,000	10,000
Tax charge in subsidiary	-	-	19,912	-
	<u>17,110</u>	<u>17,110</u>	<u>36,302</u>	<u>16,390</u>

13. INDIRECT SUPPORT COSTS

	2021 £ Group	2021 £ Company	2020 £ Group	2020 £ Company
Salaries and related costs	252,096	252,096	283,807	283,807
Travel and hospitality	503	503	37,025	37,025
Rent, rates and service charges	2,832	8,736	10,718	16,622
Heat and power	41,797	41,797	66,504	66,504
Printing, postage and stationery	1,222	1,437	1,723	3,907
Repairs and maintenance	70,255	70,255	33,923	33,923
Insurance	13,323	13,323	12,969	12,969
Telephone charges	265	386	252	252
Licences and subscriptions	3,250	3,250	8,650	8,650
Professional fees	3,538	3,538	3,403	3,403
Bank charges	2,621	2,621	3,372	3,372
Bank interest	1,405	1,405	2,287	2,287
Equipment hire and leasing	2,111	2,111	2,324	2,324
Computer software and consumables	7,139	7,139	4,460	4,460
Website development	429	429	841	841
Cleaning and sundry expenses	36,691	37,403	77,055	78,153
Depreciation				
- long leasehold property	70,573	70,573	70,572	70,572
Depreciation - fixtures, fittings and equipment	17,845	17,845	17,035	17,035
	<u>527,895</u>	<u>534,847</u>	<u>636,920</u>	<u>646,106</u>
<i>Allocation</i>				
Charitable activities	507,895	514,847	616,920	626,106
Generating voluntary income	10,000	10,000	10,000	10,000
Other costs	10,000	10,000	10,000	10,000
	<u>527,895</u>	<u>534,847</u>	<u>636,920</u>	<u>646,106</u>

Charitable costs are primarily for the running of cinema screenings, the managing of rented workspace and hosting of the annual International Documentary Festival in Sheffield, support costs are allocated as such above.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

14. FUNDRAISING TRADING FROM TRADING ACTIVITIES OF SUBSIDIARY

The wholly owned subsidiary is used for trading activities to generate income to support the direct charitable activities of the group. The net profits of the subsidiary are gifted to the charity.

The subsidiaries of the company at 31 March 2021 are detailed in note 20 of these financial statements. A summary of their trading results including intra-group sales is shown below:

	Paternoster Limited	
	Managed workspace £	Commercial operations £
Turnover	678,618	48,266
Cost of sales	(364,328)	(295,987)
Gross profit	314,290	(247,721)
Administrative expenses	(472,944)	(216,595)
Interest payable	(29,405)	-
Other operating income	75,922	314,063
Operating deficit for year	(112,137)	(150,253)
Loss from commercial operations	(150,253)	150,253
Profit on ordinary activities before taxation	(262,390)	-
Net loss for the year retained	(262,360)	-

15. STAFF COSTS AND TRUSTEES'S REMUNERATION

	2021		2020	
	Group £	Company £	Group £	Company £
Wages and salaries	996,084	370,825	1,580,129	432,924
Social security costs	60,789	22,631	112,886	28,222
Pension costs	17,062	6,352	28,393	8,048
	<u>1,073,935</u>	<u>399,808</u>	<u>1,721,408</u>	<u>469,194</u>

The average number of employees calculated on a full-time equivalent basis during the year was as follows:

	2021		2020	
	Number	FTE	Number	FTE
Raising funds	46	48	70	56
Charitable activities	32	21	41	27
	<u>78</u>	<u>69</u>	<u>111</u>	<u>83</u>

The number of employees who earned between £60,000 and £69,999 during the year was 1 (2020: 1).

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

15. STAFF COSTS AND TRUSTEE REMUNERATION (continued)

The trustees neither received nor waived any remuneration during the year (2020: £nil). No trustees had expenses reimbursed during the year (2020: £nil).

The total amount of employee benefits received by key management personnel is £264,724 (2020: £277,182). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year end comprises the staff members listed below.

Chief Executive
 Finance Manager
 General Manager
 Operations Manager
 Workstation Manager
 Senior Programmer (to September 2020)
 Communications Manager

16. INTEREST PAYABLE AND SIMILAR CHARGES

	2021		2020	
	Group £	Company £	Group £	Company £
Bank loans and overdrafts	2,810	1,405	4,574	2,287
	<u>2,810</u>	<u>1,405</u>	<u>4,574</u>	<u>2,287</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2020 - Group

	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	Total £
Tangible fixed assets	2,933,671	-	1,840,846	4,774,517
Current assets	330,674	85,036	-	415,710
Current liabilities	(850,444)	-	-	(850,444)
Long term liabilities	(480,022)	-	-	(480,022)
	<u>1,933,879</u>	<u>85,036</u>	<u>1,840,846</u>	<u>3,859,761</u>

2020 - Company

	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	Total £
Tangible fixed assets	253,230	-	1,840,846	2,094,076
Current assets	999,854	85,036	-	1,084,890
Current liabilities	(488,027)	-	-	(488,027)
Long term liabilities	(38,008)	-	-	(38,008)
	<u>727,049</u>	<u>85,036</u>	<u>1,840,846</u>	<u>2,652,931</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2020

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS
2021 - Group**

	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	Total £
Tangible fixed assets	2,903,828	-	1,768,479	4,672,307
Current assets	393,477	145,863	-	539,340
Current liabilities	(695,487)	-	-	(695,487)
Long term liabilities	(460,559)	-	-	(460,559)
	<u>2,141,259</u>	<u>145,863</u>	<u>1,768,479</u>	<u>4,055,601</u>

2021 - Company

	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	Total £
Tangible fixed assets	265,923	-	1,768,479	2,034,402
Current assets	1,274,984	145,863	-	1,420,847
Current liabilities	(344,088)	-	-	(344,088)
Long term liabilities	-	-	-	-
	<u>1,196,819</u>	<u>145,863</u>	<u>1,768,479</u>	<u>3,111,161</u>

18. FINANCIAL COMMITMENTS

	2021		2020	
	Group £	Company £	Group £	Company £
As at 31 March the annual commitments under non-cancellable operating leases were as follows:-				
Due within 1 year	4,784	-	5,797	-
Due within 1 to 2 years	1,742	-	4,784	-
Due within 2 to 5 years	1,307	-	3,049	-
	<u>7,833</u>	<u>-</u>	<u>13,630</u>	<u>-</u>

As at 31 March 2021 the company and the Group had capital commitments of £nil (2020: £35,000).

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

19. TANGIBLE FIXED ASSETS – GROUP

	Long leasehold property £	Fixtures fittings & equipment £	Total £
Cost or valuation			
At 1 April 2020	6,761,247	2,452,931	9,214,178
Additions	-	130,477	130,477
At 31 March 2021	<u>6,761,247</u>	<u>2,583,408</u>	<u>9,344,655</u>
Depreciation			
At 1 April 2020	2,500,281	1,939,380	4,439,661
Charge for the year	102,913	129,774	232,687
At 31 March 2021	<u>2,603,194</u>	<u>2,069,154</u>	<u>4,672,348</u>
Net book value			
At 31 March 2021	<u>4,158,053</u>	<u>514,254</u>	<u>4,672,307</u>
At 31 March 2020	<u>4,260,966</u>	<u>513,551</u>	<u>4,774,517</u>

TANGIBLE FIXED ASSETS – COMPANY

	Long leasehold property £	Fixtures fittings & equipment £	Total £
Cost			
At 1 April 2020	3,528,630	1,326,669	4,855,299
Additions	-	63,765	63,765
At 31 March 2021	<u>3,528,630</u>	<u>1,390,434</u>	<u>4,919,064</u>
Depreciation			
At 1 April 2020	1,609,702	1,151,523	2,761,225
Charge for the year	70,573	52,866	123,439
At 31 March 2021	<u>1,680,275</u>	<u>1,204,389</u>	<u>2,884,664</u>
Net book value			
At 31 March 2021	<u>1,848,355</u>	<u>186,045</u>	<u>2,034,400</u>
At 31 March 2020	<u>1,918,928</u>	<u>175,146</u>	<u>2,094,074</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

20. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Cost of shares in subsidiary undertaking

	£
At 1 April 2020 and 31 March 2021	<u>2</u>

The subsidiary of the company at 31 March 2021 (incorporated in England) was:

	Class of shares held	% held	Direct/ indirect holding	Aggregate capital and reserves £	Profit/ (loss) for the year £
Paternoster Limited 025 40298					
Letting of managed workspace and operation of bar and café	Ordinary	100	Direct	944,444	(262,390)

21. DEBTORS

	2021		2020	
Due within one year:	Group £	Company £	Group £	Company £
Trade debtors	76,023	5,475	114,089	8,897
Other debtors	197,307	37,562	58,437	7,400
Prepayments and accrued income	33,986	33,986	38,732	38,732
Amount owed by group undertakings	-	490,557	-	481,472
	<u>307,316</u>	<u>567,580</u>	<u>211,258</u>	<u>536,501</u>

Of the amount owed by group undertakings, £400,000 (2020: £400,000) is due after more than one year, which represents a loan made to Paternoster Limited, a subsidiary company. The loan was made on normal commercial terms at an interest rate of 7%.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

22. CREDITORS

	2021		2020	
	Group £	Company £	Group £	Company £
Amounts falling due within one year				
Bank loan and overdraft	38,081	38,081	43,586	43,586
Trade creditors	186,585	53,470	194,676	90,193
Other creditors	264,507	68,881	417,375	216,305
Taxation and social security	78,556	55,898	75,745	18,881
Accruals and deferred income	127,758	127,758	119,062	119,062
	<u>695,487</u>	<u>344,088</u>	<u>850,444</u>	<u>488,027</u>

	2021		2020	
	Group £	Company £	Group £	Company £
Amounts falling due after more than one year				
Bank loan and overdraft	-	-	38,008	38,008
	<u>-</u>	<u>-</u>	<u>38,008</u>	<u>38,008</u>

Bank borrowings are secured by legal mortgage over the group's long leasehold land and buildings (representing 7.5% of the value of the land and buildings) and a fixed and floating charge over all the other assets. The bank has priority over other secured creditors.

Bank and other loans are repayable by instalments as follows: -

	2021 £	2020 £
Due within one year	38,081	43,586
Due within one to two years	-	38,008
	<u>38,081</u>	<u>81,594</u>

23. DEFERRED INCOME – GROUP

	2021 £	2020 £
Government grants and other income at 1 April	442,014	428,135
Grants received during the year	47,621	33,548
Amount released in year	(29,076)	(19,669)
Balance at 31 March	<u>460,559</u>	<u>442,014</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

24. TRANSFER BETWEEN FUNDS

	2021		2020	
	Group £	Company £	Group £	Company £
Release of restricted capital funds re depreciation of capital assets	72,367	72,367	72,368	72,368

25. RESTRICTED FUNDS – Group and Company

	Balance at 1 April 2020 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2021 £
Restricted capital funds	1,840,846	-	-	(72,367)	1,768,479

The restricted capital fund arises from grants received which were required to be invested in the building, fitting out the cinema and also in IT hardware and software.

2020	Balance at 31 March 2019 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2020 £
Restricted income funds					
Youth Film Academy (BFI)	-	17,000	(17,000)	-	-
Residential Academy (BFI)	-	45,000	(45,000)	-	-
Film Hub North 2 (BFI)	75,487	617,700	(621,718)	-	71,469
Talent Development (BFI)	-	185,745	(172,178)	-	13,567
BFI Musicals (BFI)	-	1,200	(1,200)	-	-
AYA Distribution	-	167	(167)	-	-
UOS – Taking Lives	-	287	(287)	-	-
Film Feels	-	450	(450)	-	-
UK Jewish Film Festival	-	208	(208)	-	-
Live Cinema	-	200	(200)	-	-
Cine North	-	1,000	(1,000)	-	-
Live – RIP Vine	-	360	(360)	-	-
Picture House – Kelly Gang	-	500	(500)	-	-
	75,487	869,817	(860,268)	-	85,036

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

25. RESTRICTED FUNDS – Group and Company (continued)

2021	Balance at 31 March 2020 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2021 £
Restricted income funds					
Film Hub North 2 (BFI)	71,469	632,152	(616,788)	-	86,833
Talent Development (BFI)	13,567	157,542	(142,197)	-	28,912
Youth Film Academy (BFI)	-	17,000	(17,000)	-	-
ResidentialAcademy (BFI)	-	18,000	-	-	18,000
Safety Fund (BFI)	-	10,000	(10,000)	-	-
Outreach (BFI)	-	160	(160)	-	-
Doncaster Film Hubs (BFI)	-	17,000	(4,882)	-	12,118
ICO	-	2,200	(2,200)	-	-
Screen Yorkshire	-	15,245	(15,245)	-	-
Dept of Work and Pensions	-	4,065	(4,065)	-	-
Dogwoof	-	500	(500)	-	-
Modern Films	-	100	(100)	-	-
	<u>85,036</u>	<u>873,964</u>	<u>(813,137)</u>	<u>-</u>	<u>145,863</u>

Film Hub North 2: initiative to develop a network of film exhibitors in the north of England, funded by the BFI.

Talent Development: Part of a countrywide network of talent executives, who search out and develop from a grass roots level, new and emerging film directors, producers and writers. The fund is for short film production and early feature script development.

Youth Film Academy: BFI funded training and development for young people 16-19 in filmmaking and appreciation.

Residential Academy: Programming, is part of the BFI's Film Academy Network. There are 9 residencies each specialising in an area of the film industry. We recruit 30 young people (aged 16-19), from across the UK to come to Sheffield for a week to learn about all aspects of programming, exhibition and distribution, through industry led masterclasses and practical based projects.

BFI Safety Fund: BFI funding to enable organisations to re-open safely, following Government social distancing guidelines.

BFI Outreach: LFF provided funds to support the screening of Mangrove.

BFI Doncaster Film Clubs: Two nine week courses ran for the first time between January and June 2021 to teach filmmaking skills to 12 – 15 year olds, specifically living in the Doncaster region.

ICO: Funding to assist us to cleanse our audience data and establish efficient new practices for collecting data. Undertaking these processes helps streamline our data capture and provide reliable audience analysis.

Screen Yorkshire - Scratch Me: This was a pilot talent development programme devised and delivered by Film Hub North in partnership with Screen Yorkshire and SIGN. The programme aimed to support creative talent working outside of traditional filmmaking by developing their ideas and skills, and putting them in a position to move into filmed media across a variety of formats and platforms.

DWP - Access to Work: This is a publicly funded employment support programme that aims to help more disabled people start or stay in work. It provides practical and financial support if staff have a disability or long-term physical or mental health condition.

Dogwoof MLK: Marketing support to promote the screening Martin Luther King.

Modern Films: The Perfect Candidate: Marketing support to promote screenings.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

26. UNRESTRICTED FUNDS

	Company Unrestricted income fund £	Group Revaluation Reserve £
Balance at 1 April 2020	727,049	1,209,976
Net movement in funds for the year	397,403	-
Transfer during the year	72,367	(16,351)
Balance at 31 March 2021	<u>1,196,819</u>	<u>1,193,625</u>

27. RECONCILIATION OF CONSOLIDATED NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021 Group £	2020 Group £
Net incoming/(outgoing) resources	195,840	(135,847)
Interest payable	2,810	4,574
Net outgoing resources from operations	<u>198,650</u>	<u>(131,273)</u>
Depreciation and amortisation	232,687	225,464
Loss on disposal of fixed assets	-	14,307
(Increase)/decrease in stock	(652)	3,006
(Increase)/decrease in debtors	(96,058)	845,163
Decrease in creditors	(130,907)	(837,270)
Net cash inflow from operating activities	<u>203,720</u>	<u>119,397</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2021

28. ANALYSIS OF NET DEBT

	1 April 2020		Cash flow	Other non- cash charges	31 March 2021
	£	£	£	£	£
Cash at the bank and in hand	196,015		26,920	-	222,935
Bank overdrafts	-		-	-	-
Cash and cash equivalents	196,015		26,920	-	222,935
Debts falling due within one year	(43,586)		5,505	-	(38,081)
Debts falling due after one year	(38,008)		38,008	-	-
	(81,594)		43,513	-	(38,081)
	114,421		70,433	-	184,854

29. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the board of directors.

30. TRANSACTIONS WITH RELATED PARTIES

In accordance with FRS102 paragraph 33.1A the company has taken advantage of the exemption from disclosing transactions with its fellow subsidiary companies.