

**Company registration number: 2444438**  
**Charity registration number: 1002020**

**SHEFFIELD MEDIA AND EXHIBITION  
CENTRE LIMITED**

**CONSOLIDATED ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2022**



# SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

## ANNUAL REPORT

YEAR ENDED 31 MARCH 2022

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## **SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022**

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
- D Gormley
- M Ellis
- A Davenport
- B Hamilton-Tweedale
- M Drabble - Resigned 26th September 2022
- M Kanarek
- T Kennick
- H Taylor-Smith
- N Belfield
- J Dobson
- A Casserly Stewart - Appointed 31st January 2022
- H Mann Adamson - Appointed 31st January 2022
- R Mersereau - Appointed 26th September 2022

**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 2022 (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:

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 five directors have undertaken specific responsibility to attend:

H Taylor-Smith  
M Ellis  
B Hamilton-Tweedale  
J Dodson  
A Casserly Stewart

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.

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 2022 (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.

##### Subsidiary

##### Activity

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 2022 (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.

2021-22 was an extremely difficult trading year for the organisation. The cinema and café/bar closed from 19<sup>th</sup> March 2020 to 18<sup>th</sup> September 2020 and again from 5<sup>th</sup> November 2020 to 21<sup>st</sup> May 2021. Following this lockdown, we began to trade again in May 2021, although the business has been slow to regain lost customers. The Workstation also saw reductions in tenancies throughout the nationwide lockdown.

Throughout this period the trustees of the charity continued to meet on a regular basis 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**

Throughout the lockdown several staff members continued to work, and we took the opportunity to undertake many repairs and renewals to the building. Key elements included

- Installation of new toilet blocks in the reception and first floor area of the Workstation.
- Replacement of the drainage piping in cinema three and installation of a new ceiling.
- Purchase and installation of a new 4k projector and Dolby 7.1 sound system in cinema 4.
- Replacement of all cinema carpets and refurbishment of the seating.
- Repair and restoration of the wooden flooring in the bar area.
- 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.

Although we started to trade again on 21<sup>st</sup> May 2021, we operated throughout the year with social distancing measures in place to protect our staff and customers. Measures included all staff wearing masks, sanitization points throughout the building, and screens in place for all sales points. We also operated social distancing in our auditoriums which reduced the capacity of the cinema considerably. We relaxed these measures in April 2022 following government advice.

The pandemic impacted on our business sales with many of our cinema and café/bar customers deciding not to return immediately. During the entire lockdown 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 Grant awards included the Cultural Recovery Fund, Coronavirus Job Retention Scheme and Sheffield City Council Hospitality Grants. These awards, and particularly support from the Cultural Recovery Fund allowed us to continue operating and retain most of our staff teams throughout 2021-22. The final financial award was in 2021-22, so that we started the financial year 2021-22 with no expectations of additional financial support.

## **SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

#### **Cinema**

Showroom Cinema reopened on 17<sup>th</sup> May 2021 which was seven weeks after the start of the financial year. We saw a gradual increase in attendance as measured against a baseline of pre-covid ticket sales. Sales grew steadily reaching a peak of 80% of pre-covid levels in October 2021. From this point sales fell as the omicron variant of the disease spread rapidly. From December to April 2022, we saw very little change in our low sales pattern with sales starting to improve from May 2022.

Young audiences returned to the cinema very quickly after we reopened, although older customers have taken much longer to come back. On reopening it was apparent that sales for our Cine 26 scheme offering cheap tickets to people aged 26 and younger had reduced by only 20%, whilst tickets for older customers showed a 50% reduction as compared to pre-covid levels. We believe that 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.

Since reopening, the cinema operated on reduced staff in our programming team which delayed resumption of many of our activities. As we recruit new staff, we anticipate restarting many of our regular audience facing programmes.

#### **Programme Highlights**

Our first run programme attracted audiences for a range of new releases, particularly for independent titles. Our most successful films in this period included The French Dispatch, Belfast, Nomadland & Licorice Pizza.

We also had a very successful run for the Sheffield based film – Everybody's Talking about Jamie. This year our most successful foreign language film was Pedro Almodovar's Spanish Language - Parallel Mothers. The Alpinist was the best attended documentary. Several events and seasons also had successful runs including a season of films by Wong Kar-Wei.

We initiated two new audience facing events this year.

-Sheffield Loves Anime took place in November 2021 as a partnership with the well-established annual festival - Scotland Loves Anime. We plan to continue this partnership over the next year.

-Celluloid Screams Marathon is an extension of our well-established horror film festival. The Marathon is a four-film back-to-back programme taking place on the same day. Our launch event was a 35mm celluloid only four film screening programme.

We recommenced screenings of Alternative Content with several NTL and music events. The most successful of these were

- NTL Leopoldstadt
- NTL The Book of Dust
- Oasis Knebworth 1996

#### **Festivals**

Our festival programme recommenced this year, working with external partners. Many of these events have proved to be popular with audiences.

- Sheffield DocFest arranged a hybrid event with a mix of on-line and in person screenings. These were scheduled around two weekends and focussed on a public audience.
- Sheffield Adventure Film Festival (ShAFF) went ahead in March 2022 and was successful in attracting good audiences, although not at pre-pandemic levels.
- Celluloid Screams horror film festival took place in October 2021. 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) took place for the second year in 2021. This is a new partner event with high-profile new films playing simultaneously with London premiers. The festival increased its audiences with several sell out screenings. The festival is intended to become an annual feature in our programme.

## **SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

#### **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**

Following reopening, we proceeded with the event although it was not possible or safe to organise the annual Youth Film Academy as planned in autumn 2020. This course for 15–18 year-olds 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 course was rolled forward into 2021. We also successfully applied for financial support to organise a new pilot programme for 12–15 year-olds in Doncaster with a title of Film Club. The two Film Clubs took place on-line in January and May 2021 and were felt to have been successful, meeting all participation and diversity targets.

#### **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 a net zero carbon user 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.

## **SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

#### **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.

#### **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. Post year end sales for conferences and events have started to improve.

#### **Workstation**

The national lockdown had an immediate negative impact on tenants in the Workstation, many of whom quickly ran into financial difficulties. 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 and is likely to reach pre-covid levels in 2022-23

#### **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.

## **SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (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. This loan was repaid in full 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. After reopening in May 21, trading of the café bar and conferencing activity gradually started to recover up to October, following the emergence of omicron we saw a significant reduction in trading from November to the end of the financial year, which impacted on the results for the financial year. The Workstation increased rental income for the year, this was after a reduction in occupancy during the covid lockdown.

Overall, the group saw a diminished performance compared to the previous year, with a surplus for the year of £73,430 (prior year surplus £195,840). The charity's individual position, as detailed on page 13, shows a profit of £387,012 (prior year profit £458,230). This includes support from the BFI Cultural Recovery Fund. Funding received through the pandemic in 20-21, enabled 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. Through funding from the CRF, the principal area of capital investment in 2021-22 was the implementation of new HR & payroll software. We also installed equipment to our conferencing rooms, to facilitate online meetings. We also purchased internal automatic accessible doors for our box office, bar & foyer. Through National Lottery funding we were able to update our hearing loop system in our 4 cinema auditoriums, box office area and Workstation reception.

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 2022 (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;



**B Moffett**  
Sheffield

**28 November 2022**

## **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 2022 which comprise the Consolidated and Parent Statement of Financial Activities, Consolidated and Parent 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 2022, 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](http://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: 8 December 2022

**SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

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

**YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	2022 Total £	2021 Total £
<b>Incoming Resources</b>						
Donations and legacies	2	745,970	895,325	58,500	1,699,795	1,651,111
Investment income	4	28,000	-	-	28,000	28,000
Charitable activities	5	564,170	-	-	564,170	139,774
Other income	6	-	-	-	-	162,563
<b>Total incoming resources</b>		<b>1,338,140</b>	<b>895,325</b>	<b>58,500</b>	<b>2,291,965</b>	<b>1,981,448</b>
<b>Resources expended</b>						
Costs of generating voluntary income	9	10,000	-	-	10,000	10,000
Raising funds	10	-	-	-	-	-
Charitable activities	11	986,561	890,092	-	1,876,653	1,496,108
Other	12	18,300	-	-	18,300	17,110
<b>Total resources expended</b>		<b>1,014,861</b>	<b>890,092</b>	<b>-</b>	<b>1,904,953</b>	<b>1,523,218</b>
<b>Net incoming resources before transfers</b>		<b>323,279</b>	<b>5,233</b>	<b>58,500</b>	<b>387,012</b>	<b>458,230</b>
Transfers	24	75,160	(6,331)	(68,829)	-	-
<b>Net movement in funds</b>		<b>398,439</b>	<b>(1,098)</b>	<b>(10,329)</b>	<b>387,012</b>	<b>458,230</b>
<b>Funds brought forward</b>		<b>1,196,819</b>	<b>145,863</b>	<b>1,768,479</b>	<b>3,111,161</b>	<b>2,652,931</b>
<b>Funds carried forward</b>		<b>1,595,258</b>	<b>144,765</b>	<b>1,758,150</b>	<b>3,498,173</b>	<b>3,111,161</b>

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 2022**

	Notes	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	2022 Total £	2021 Total £
<b>Incoming resources</b>						
Donations and legacies	2	784,498	895,325	58,500	1,738,323	2,012,020
Activities for generating funds	3	1,467,633	-	-	1,467,633	719,332
Charitable activities	5	504,170	-	-	504,170	79,774
Other income	6	-	-	-	-	162,563
<b>Total incoming resources</b>		<b>2,756,301</b>	<b>895,325</b>	<b>58,500</b>	<b>3,710,126</b>	<b>2,973,689</b>
<b>Resources expended</b>						
Costs of generating voluntary income	9	10,000	-	-	10,000	10,000
Raising funds	10	1,742,388	-	-	1,742,388	1,262,183
Charitable activities	11	975,916	890,092	-	1,866,008	1,488,556
Other	12	18,300	-	-	18,300	17,110
<b>Total resources expended</b>		<b>2,746,604</b>	<b>890,092</b>	<b>-</b>	<b>3,636,696</b>	<b>2,777,849</b>
<b>Net incoming resources before transfers</b>		<b>9,697</b>	<b>5,233</b>	<b>58,500</b>	<b>73,430</b>	<b>195,840</b>
Transfers	24	75,160	(6,331)	(68,829)	-	-
<b>Net movement in funds</b>		<b>84,857</b>	<b>(1,098)</b>	<b>(10,329)</b>	<b>73,430</b>	<b>195,840</b>
<b>Funds brought forward</b>		<b>2,141,259</b>	<b>145,863</b>	<b>1,768,479</b>	<b>4,055,601</b>	<b>3,859,761</b>
<b>Funds carried forward</b>		<b>2,226,116</b>	<b>144,765</b>	<b>1,758,150</b>	<b>4,129,031</b>	<b>4,055,601</b>

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 2022**

	Notes	31 March 2022		31 March 2021	
		Group £	Company £	Group £	Company £
<b>FIXED ASSETS</b>					
Tangible fixed assets	19	4,518,888	1,960,507	4,672,307	2,034,400
Investment in subsidiaries	20	-	2	-	2
		<u>4,518,888</u>	<u>1,960,509</u>	<u>4,672,307</u>	<u>2,034,402</u>
<b>CURRENT ASSETS</b>					
Stock		16,616	-	9,089	-
Debtors	21	609,821	1,078,168	307,316	567,580
Cash at bank and in hand		128,301	755,235	222,935	853,267
		<u>754,738</u>	<u>1,833,403</u>	<u>539,340</u>	<u>1,420,847</u>
<b>CREDITORS – amounts falling due within one year</b>	22	<u>(713,254)</u>	<u>(295,739)</u>	<u>(695,487)</u>	<u>(344,088)</u>
<b>Net current assets/ (liabilities)</b>		<u>41,484</u>	<u>1,537,664</u>	<u>(156,147)</u>	<u>1,076,759</u>
Total assets less current liabilities		4,560,372	3,498,173	4,516,160	3,111,161
Deferred income	23	(431,341)	-	(460,559)	-
<b>NET ASSETS</b>		<u>4,129,031</u>	<u>3,498,173</u>	<u>4,055,601</u>	<u>3,111,161</u>
<b>CHARITY FUNDS</b>					
Restricted capital fund	25	1,758,150	1,758,150	1,768,479	1,768,479
Restricted income funds	25	144,765	144,765	145,863	145,863
Unrestricted funds	26	1,048,842	1,595,258	947,634	1,196,819
Revaluation reserve	26	1,177,274	-	1,193,625	-
<b>TOTAL CHARITY FUNDS</b>		<u>4,129,031</u>	<u>3,498,173</u>	<u>4,055,601</u>	<u>3,111,161</u>

The financial statements were approved by the board of trustees on 28 November 2022 and signed on its behalf by:



**B Moffett** - Trustee

**SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**

**YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
<b>Cash flow from operating activities</b>	27	14,974	203,720
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		(71,095)	(130,477)
<b>Net cash flow from investing activities</b>		<u>(71,095)</u>	<u>(130,477)</u>
<b>Cash flow from financing activities</b>			
Repayment of long-term loans		(38,081)	(43,513)
Interest paid		(432)	(2,810)
<b>Net cash flow from financing activities</b>		<u>(38,513)</u>	<u>(46,323)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		(94,634)	26,920
<b>Cash and cash equivalents at 1 April</b>		222,935	196,015
<b>Cash and cash equivalents at 31 March</b>		<u>128,301</u>	<u>222,935</u>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		128,301	222,935
<b>Cash and cash equivalents at 31 March</b>		<u>128,301</u>	<u>222,935</u>

# **SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

## **NOTES ON ACCOUNTS**

**YEAR ENDED 31 MARCH 2022**

### **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 £84,857, whilst the group Balance Sheet on page 15 indicates net current assets of £41,484. 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 2022/23, the trustees envisage that, based upon actual results to date, forecast results to the end of the year, the group will operate to a deficit for that year. The trustees have also considered the medium-term impact with the forecast prepared to cover 2023/24, 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 2022**

##### **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 2022

#### 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 2022**

**2. DONATIONS AND LEGACIES**

	2022 £ Group	2022 £ Company	2021 £ Group	2021 £ Company
<b>Unrestricted</b>				
BFI	150,000	150,000	150,000	150,000
Sheffield City Council	16,403	12,000	76,672	51,672
Europa Cinemas	-	-	290	290
BFI – Culture Recovery Fund	555,626	555,626	321,869	321,869
CJRS government grant	62,469	28,344	589,225	253,316
Total unrestricted	<u>784,498</u>	<u>745,970</u>	<u>1,138,056</u>	<u>777,147</u>
<b>Restricted - revenue</b>				
BFI - Film Hub North 2	638,700	638,700	632,152	632,152
BFI - Other	237,709	237,709	219,702	219,702
ICO	-	-	2,200	2,200
Screen Yorkshire	-	-	15,245	15,245
Department of Work and Pension	-	-	4,065	4,065
Dogwoof	1,000	1,000	500	500
National Lottery	10,000	10,000	-	-
Film Club Midlands	5,000	5,000	-	-
Other < £1,000	2,916	2,916	100	100
Total restricted - revenue	<u>895,325</u>	<u>895,325</u>	<u>873,964</u>	<u>873,964</u>
<b>Restricted – capital</b>				
BFI - Culture Recovery Fund	58,500	58,500	-	-
Total restricted - capital	<u>58,500</u>	<u>58,500</u>	<u>-</u>	<u>-</u>
Total voluntary income	<u>1,738,323</u>	<u>1,699,795</u>	<u>2,012,020</u>	<u>1,651,111</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	2022 £ Group	2022 £ Company	2021 £ Group	2021 £ Company
Letting of managed workspace	750,014	-	671,066	-
Commercial operations	717,619	-	48,266	-
	<u>1,467,633</u>	<u>-</u>	<u>719,332</u>	<u>-</u>

# SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

## NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2022

### 4. INVESTMENT INCOME

	2022 £ Group	2022 £ Company	2021 £ Group	2021 £ Company
Loan interest	-	28,000	-	28,000
	-	28,000	-	28,000

### 5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2022 £ Group	2022 £ Company	2021 £ Group	2021 £ Company
<b>Unrestricted</b>				
Box office receipts	407,096	407,096	35,937	35,937
Centre hire	51,808	51,808	18,282	18,282
Membership fees	19,098	19,098	22,314	22,314
Advertisement income	13,748	13,748	3,009	3,009
Management fee	-	60,000	-	60,000
Other income	12,420	12,420	232	232
	504,170	564,170	79,774	139,774

### 6. OTHER INCOME

	2022 £ Group	2022 £ Company	2021 £ Group	2021 £ Company
<b>Unrestricted</b>				
VAT credit – cultural exemption	-	-	162,563	162,563
	-	-	162,563	162,563

### 7. NET OUTGOING RESOURCES

	2022		2021	
	Group £	Company £	Group £	Company £
This is stated after charging:				
Operating lease rentals – land and buildings	-	6,000	-	6,000
Depreciation	223,649	121,719	232,687	123,439
Loss on disposal of fixed assets	865	865	-	-
Government and other grants receivable	(38,528)	-	(29,076)	-

**SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

**NOTES ON ACCOUNTS (continued)**

**YEAR ENDED 31 MARCH 2022**

**8. AUDITOR'S REMUNERATION**

The auditor's remuneration amounts to a fee of £12,300 (2021: £10,470) and £1,200 for other services (2021: £1,591).

**9. COSTS OF GENERATING VOLUNTARY INCOME**

	2022 £ Group	2022 £ Company	2021 £ Group	2021 £ Company
Support costs (note 13)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

**10. RAISING FUNDS**

	2022 £ Group	2022 £ Company	2021 £ Group	2021 £ Company
Managed workspace cost	832,001	-	749,601	-
Commercial operations	<u>910,387</u>	<u>-</u>	<u>512,582</u>	<u>-</u>
	<u>1,742,388</u>	<u>-</u>	<u>1,262,183</u>	<u>-</u>

**11. CHARITABLE ACTIVITIES**

**Cost of operation of cinema and centre hire**

	2022 £ Group	2022 £ Company	2021 £ Group	2021 £ Company
<b>Film performances and related costs</b>				
Film hire	158,058	158,058	11,649	11,649
Project costs	252,489	254,439	180,586	180,586
Film Hub North grants disbursed	424,929	424,929	429,006	429,006
<b>Centre costs</b>				
Marketing costs	17,263	17,263	20,168	20,168
Wages and related costs	352,117	352,117	297,622	297,622
Printing and advertising	20,463	21,063	1,749	2,349
Depreciation – equipment	31,121	31,121	35,021	35,021
Credit card charges	10,052	10,052	2,428	2,428
Other expenses	<u>10,878</u>	<u>10,877</u>	<u>2,432</u>	<u>2,432</u>
	1,277,370	1,279,919	980,661	981,261
Support costs (note 13)	588,638	596,734	507,895	514,847
Total cost of charitable activities	<u>1,866,008</u>	<u>1,876,653</u>	<u>1,488,556</u>	<u>1,496,108</u>

**SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

**NOTES ON ACCOUNTS (continued)**

**YEAR ENDED 31 MARCH 2022**

**12. OTHER COSTS**

	2022 £ Group	2022 £ Company	2021 £ Group	2021 £ Company
Audit fee	8,300	8,300	7,110	7,110
Support costs (note 13)	10,000	10,000	10,000	10,000
	<u>18,300</u>	<u>18,300</u>	<u>17,110</u>	<u>17,110</u>

**13. INDIRECT SUPPORT COSTS**

	2022 £ Group	2022 £ Company	2021 £ Group	2021 £ Company
Salaries and related costs	273,132	273,132	252,096	252,096
Travel and hospitality	12,829	12,829	503	503
Rent, rates and service charges	6,582	12,486	2,832	8,736
Heat and power	78,031	78,031	41,797	41,797
Printing, postage and stationery	936	2,324	1,222	1,437
Repairs and maintenance	39,671	39,671	70,255	70,255
Insurance	15,683	15,683	13,323	13,323
Telephone charges	222	354	265	386
Licences and subscriptions	5,955	5,955	3,250	3,250
Professional fees	15,584	15,584	3,538	3,538
Bank charges	2,034	2,034	2,621	2,621
Bank interest	216	216	1,405	1,405
Equipment hire and leasing	2,587	2,587	2,111	2,111
Computer software and consumables	10,289	10,289	7,139	7,139
Website development	10,521	10,521	429	429
Cleaning and sundry expenses	42,903	43,575	36,691	37,403
Depreciation				
- long leasehold property	70,573	70,573	70,573	70,573
Depreciation - fixtures, fittings and equipment	20,025	20,025	17,845	17,845
Loss on disposal	865	865		
	<u>608,638</u>	<u>616,734</u>	<u>527,895</u>	<u>534,847</u>
<i>Allocation</i>				
Charitable activities	588,638	596,734	507,895	514,847
Generating voluntary income	10,000	10,000	10,000	10,000
Other costs	10,000	10,000	10,000	10,000
	<u>608,638</u>	<u>616,734</u>	<u>527,895</u>	<u>534,847</u>

Charitable costs are primarily for the running of cinema screenings and the managing of rented workspace, support costs are allocated as such above.

## SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

### NOTES ON ACCOUNTS (continued)

#### YEAR ENDED 31 MARCH 2022

#### 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 subsidiary of the company at 31 March 2022 is detailed in note 20 of these financial statements. A summary of its trading results including intra-group sales is shown below:

	Paternoster Limited	
	Managed workspace £	Commercial operations £
Turnover	758,709	719,569
Cost of sales	(403,452)	(618,908)
Gross profit	355,257	100,661
Administrative expenses	(517,551)	(291,479)
Interest payable	(28,216)	-
Other operating income	29,218	38,528
Operating deficit for year	(161,292)	(152,290)
Loss from commercial operations	(152,290)	152,290
Profit on ordinary activities before taxation	(313,582)	-
Net loss for the year retained	(313,582)	-

#### 15. STAFF COSTS AND TRUSTEES'S REMUNERATION

	2022		2021	
	Group £	Company £	Group £	Company £
Wages and salaries	1,154,612	453,809	996,084	370,825
Social security costs	78,884	31,004	60,789	22,631
Pension costs	22,760	8,946	17,062	6,352
	1,256,256	493,759	1,073,935	399,808

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

	2022		2021	
	Number	FTE	Number	FTE
Raising funds	46	40	46	48
Charitable activities	33	19	32	21
	79	59	78	69

The number of employees who earned between £60,000 and £69,999 during the year was 1 (2021: 1).

## SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

### NOTES ON ACCOUNTS (continued)

#### YEAR ENDED 31 MARCH 2022

#### 15. STAFF COSTS AND TRUSTEE REMUNERATION (continued)

The trustees neither received nor waived any remuneration during the year (2021: £nil). No trustees had expenses reimbursed during the year (2021: £nil).

The total amount of employee benefits received by key management personnel is £273,380 (2021: £264,724). 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  
Communications Manager

#### 16. INTEREST PAYABLE AND SIMILAR CHARGES

	2022		2021	
	Group £	Company £	Group £	Company £
Bank loans and overdrafts	432	216	2,810	1,405
	<u>432</u>	<u>216</u>	<u>2,810</u>	<u>1,405</u>

#### 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2022 - Group

	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	Total £
Tangible fixed assets	2,760,738	-	1,758,150	4,518,888
Current assets	609,973	144,765	-	754,738
Current liabilities	(713,254)	-	-	(713,254)
Long term liabilities	(431,341)	-	-	(431,341)
	<u>2,226,116</u>	<u>144,765</u>	<u>1,758,150</u>	<u>4,129,031</u>

#### 2022 - Company

	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	Total £
Tangible fixed assets	202,359	-	1,758,150	1,960,509
Current assets	1,688,638	144,765	-	1,833,403
Current liabilities	(295,739)	-	-	(295,739)
Long term liabilities	-	-	-	-
	<u>1,595,258</u>	<u>144,765</u>	<u>1,758,150</u>	<u>3,498,173</u>

**SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

**NOTES ON ACCOUNTS (continued)**

**YEAR ENDED 31 MARCH 2022**

**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**

	2022		2022	
	Group £	Company £	Group £	Company £
As at 31 March the annual commitments under non-cancellable operating leases were as follows:-				
Due within 1 year	5,797	-	4,784	-
Due within 1 to 2 years	5,362	-	1,742	-
Due within 2 to 5 years	16,220	-	1,307	-
	<u>27,379</u>	<u>-</u>	<u>7,833</u>	<u>-</u>

As at 31 March 2022 the company and the Group had capital commitments of £nil (2021: £nil).

**SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

**NOTES ON ACCOUNTS (continued)**

**YEAR ENDED 31 MARCH 2022**

**19. TANGIBLE FIXED ASSETS – GROUP**

	Long leasehold property £	Fixtures fittings & equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	6,761,247	2,583,408	9,344,655
Additions	-	71,095	71,095
Disposals	-	(1,403)	(1,403)
At 31 March 2022	<u>6,761,247</u>	<u>2,653,100</u>	<u>9,414,347</u>
<b>Depreciation</b>			
At 1 April 2021	2,603,194	2,069,154	4,672,348
Charge for the year	102,915	120,734	223,649
Disposals	-	(538)	(538)
At 31 March 2022	<u>2,706,109</u>	<u>2,189,350</u>	<u>4,895,459</u>
<b>Net book value</b>			
At 31 March 2022	<u>4,055,138</u>	<u>463,750</u>	<u>4,518,888</u>
At 31 March 2021	<u>4,158,053</u>	<u>514,254</u>	<u>4,672,307</u>

**TANGIBLE FIXED ASSETS – COMPANY**

	Long leasehold property £	Fixtures fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2021	3,528,630	1,390,434	4,919,064
Additions	-	48,691	48,691
Disposals	-	(1,403)	(1,403)
At 31 March 2022	<u>3,528,630</u>	<u>1,437,722</u>	<u>4,966,352</u>
<b>Depreciation</b>			
At 1 April 2021	1,680,275	1,204,389	2,884,664
Charge for the year	70,573	51,146	121,719
Disposals	-	(538)	(538)
At 31 March 2022	<u>1,750,848</u>	<u>1,254,997</u>	<u>3,005,845</u>
<b>Net book value</b>			
At 31 March 2022	<u>1,777,782</u>	<u>182,725</u>	<u>1,960,507</u>
At 31 March 2021	<u>1,848,355</u>	<u>186,045</u>	<u>2,034,400</u>

**SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

**NOTES ON ACCOUNTS (continued)**

**YEAR ENDED 31 MARCH 2022**

**20. INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

**Cost of shares in subsidiary undertaking**

	£
At 1 April 2021 and 31 March 2022	<u>2</u>

The subsidiary of the company at 31 March 2022 (incorporated in England) was:

	Class of shares held	% held	Direct/indirect holding	Aggregate capital and reserves £	Profit/(loss) for the year £
<b>Paternoster Limited</b> <b>025 40298</b>					
Letting of managed workspace and operation of bar and café	Ordinary	100	Direct	630,862	(313,582)

**21. DEBTORS**

	2022		2021	
	Group £	Company £	Group £	Company £
<b>Due within one year:</b>				
Trade debtors	111,395	4,170	76,023	5,475
Other debtors	457,883	350,183	197,307	37,562
Prepayments and accrued income	40,543	40,543	33,986	33,986
Amount owed by group undertakings	-	683,272	-	490,557
	<u>609,821</u>	<u>1,078,168</u>	<u>307,316</u>	<u>567,580</u>

Of the amount owed by group undertakings, £400,000 (2021: £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 2022**

**22. CREDITORS**

Amounts falling due within one year	2022		2021	
	Group £	Company £	Group £	Company £
Bank loan and overdraft	-	-	38,081	38,081
Trade creditors	227,163	87,333	186,585	53,470
Other creditors	313,762	94,614	264,507	68,881
Taxation and social security	58,537	-	78,556	55,898
Accruals and deferred income	113,792	113,792	127,758	127,758
	<u>713,254</u>	<u>295,739</u>	<u>695,487</u>	<u>344,088</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: -

	2022 £	2021 £
Due within one year	-	38,081
Due within one to two years	-	-
	<u>-</u>	<u>38,081</u>

**23. DEFERRED INCOME – GROUP**

	2022 £	2021 £
Government grants and other income at 1 April	460,559	442,014
Grants received during the year	-	47,621
Amount released in year	(29,218)	(29,076)
Balance at 31 March	<u>431,341</u>	<u>460,559</u>

**SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

**NOTES ON ACCOUNTS (continued)**

**YEAR ENDED 31 MARCH 2022**

**24. TRANSFER BETWEEN FUNDS**

	2022		2021	
	Group £	Company £	Group £	Company £
Release of restricted capital funds re depreciation of capital assets	75,160	75,160	72,367	72,367
Transfer from restricted income funds	(6,331)	(6,331)	-	-
	<u>68,829</u>	<u>68,829</u>	<u>72,367</u>	<u>72,367</u>

**25. RESTRICTED FUNDS – Group and Company**

	Balance at 31 March 2021 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2022 £
<b>Restricted capital funds</b>					
Brought forward	1,768,479	-	-	(75,160)	1,693,319
Culture Recovery Fund 2	-	38,000	-	-	38,000
Culture Recovery Fund 3	-	20,500	-	-	20,500
National Lottery	-	-	-	6,331	6,331
	<u>1,768,479</u>	<u>58,500</u>	<u>-</u>	<u>(68,829)</u>	<u>1,758,150</u>

The restricted capital fund arises from grants we applied for, for the purpose of supporting our engagement and outreach work, through BSL welcome films to ticketless scanners to support social distancing for returning customers.

<b>2022</b>	Balance at 31 March 2021 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2022 £
<b>Restricted income funds</b>					
Film Hub North 2 (BFI)	86,833	638,700	(623,404)	-	102,129
Talent Development (BFI)	28,912	153,000	(143,142)	-	38,770
Youth Film Academy (BFI)	-	17,000	(16,708)	-	292
Residential Academy (BFI)	18,000	24,121	(42,121)	-	-
Venue Education Fund (BFI)	-	28,628	(28,628)	-	-
National Lottery	-	10,000	(95)	(6,331)	3,574
Doncaster Film Hubs (BFI)	12,118	14,960	(27,078)	-	-
Film Club Midlands	-	5,000	(5,000)	-	-
Dogwoof	-	1,000	(1,000)	-	-
Other < £1,000	-	2,916	(2,916)	-	-
	<u>145,863</u>	<u>895,325</u>	<u>(890,092)</u>	<u>(6,331)</u>	<u>144,765</u>

**SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

**NOTES ON ACCOUNTS (continued)**

**YEAR ENDED 31 MARCH 2022**

**25. RESTRICTED FUNDS – Group and Company (continued)**

<b>2021</b>	<b>Balance at 31 March 2020 £</b>	<b>Incoming resources £</b>	<b>Resources expensed £</b>	<b>Transfer £</b>	<b>Balance at 31 March 2021 £</b>
<b>Restricted income funds</b>					
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.  
**Youth Film Academy** – BFI funded training and development for young people 16-19 in filmmaking and appreciation.

**BFI Residential:** 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.

**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.

**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

**National Lottery:** Funding for a hearing loop system to be installed in the box office and cinema auditoriums.

**Film Hub Midlands:** A program of Anime screenings celebrating the breadth of a beloved genre.

**SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**

**NOTES ON ACCOUNTS (continued)**

**YEAR ENDED 31 MARCH 2022**

**26. UNRESTRICTED FUNDS**

	<b>Company</b> Unrestricted income fund £	<b>Group</b> Revaluation Reserve £
Balance at 1 April 2021	1,196,819	1,193,625
Net movement in funds for the year	323,279	-
Transfer during the year	75,160	(16,351)
Balance at 31 March 2022	<u>1,595,258</u>	<u>1,177,274</u>

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

	2022 Group £	2021 Group £
Net incoming resources	73,430	195,840
Interest payable	432	2,810
Net outgoing resources from operations	<u>73,862</u>	<u>198,650</u>
Depreciation and amortisation	223,649	232,687
Loss on disposal of fixed assets	865	-
(Increase) in stock	(7,527)	(652)
(Increase) in debtors	(302,505)	(96,058)
Decrease in creditors	26,630	(130,907)
Net cash inflow from operating activities	<u>14,974</u>	<u>203,720</u>

## SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

### NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2022

#### 28. ANALYSIS OF NET DEBT

	1 April 2021		Cash flow	Other non- cash charges	31 March 2022
	£	£	£	£	£
Cash at the bank and in hand	222,935		(94,634)	-	128,301
Bank overdrafts	-		-	-	-
Cash and cash equivalents	222,935		(94,634)	-	128,301
Debts falling due within one year	(38,081)		38,081	-	-
Debts falling due after one year	-		-	-	-
	(38,081)		38,081	-	-
	184,854		(56,553)	-	128,301

#### 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.