

Company registration number: 2444438
Charity registration number: 1002020

**SHEFFIELD MEDIA AND EXHIBITION
CENTRE LIMITED**

CONSOLIDATED ANNUAL REPORT

YEAR ENDED 31 MARCH 2023



SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

ANNUAL REPORT

YEAR ENDED 31 MARCH 2023

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SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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 – Resigned 28th November 2022
- A Davenport - Resigned 25th September 2023
- B Hamilton-Tweedale
- M Drabble - Resigned 26th September 2022
- M Kanarek
- T Kennick – Resigned 28th November 2022
- H Taylor-Smith
- N Belfield
- J Dobson - Resigned 28th November 2022
- A Casserly Stewart
- H Mann Adamson
- R Mersereau - Appointed 26th September 2022
- K R Gilbert – Appointed 12th June 2023

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 2023 (continued)

The Board of Trustees, who are also Directors for the purposes of the Companies Act 2006, present their report and the consolidated group financial statements of Sheffield Media and Exhibition Centre and its 100% owned subsidiary Paternoster Limited, for the year ended 31 March 2023.

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 three directors have undertaken specific responsibility to attend each month:

B Moffett
C Pons
B Hamilton-Tweedale

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 three directors have undertaken specific responsibility to attend:

H Taylor-Smith
B Hamilton-Tweedale
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.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Structure, governance and management (continued)

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.

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

Paternoster Limited

Activity

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:-

- 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 2024 to 2027. Development of the plan was delayed, following the Covid-19 shutdown in favour of a short-term recovery plan. In developing a new business plan the trustees have widely consulted and wish to incorporate strategies to reflect the heritage of the building and organisation. The plan will include development of a new heritage focussed festival from 2024.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

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.

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.

In 2022-23 the organisation continued to recover audiences and sales following the period of closure during the covid lockdown (March 2020 to May 2021). The closure had a significant and direct impact on all areas of our business and continued to do so throughout 2022-23. Not all areas of our trading recovered at the same pace, and we needed to implement new approaches in many areas of our business to recover sales income. Some of the changes we made had an immediate effect, although others will have longer term impact and have helped to improve trading in the following year. Overall, we saw a much slower recovery in sales than had been anticipated. We also experienced significant increases in our cost base throughout 2022-23, particularly for energy and labour which also had a negative impact on the business profitability and slowed down our recovery. In the first half of the 2023-24 financial year, we have experienced improved sales in all areas of the business which has helped to reduce trading loss from 2022-23. However, we continue to experience notable increases in our costs during 2023-24.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Cinema

Cinema admissions grew in number compared to the previous year but more slowly than was anticipated. Overall, ticket sales increased by 8.6% compared to the same period last year reaching a total of 81,762. This is significantly less than the pre-covid level of attendance. Recovery and audience growth was greater in the second half of the year. Post year end we have continued to see growth in audience numbers in the first half of 2023-24. This has helped to reduce the trading loss during this period.

Notable programmes highlight this year included successful film releases such as *The Banshees of Inisherin*, *Aftersun* and *Everything Everywhere All At Once*. We also had a significant success with the National Theatre production, *Prima Facie*. The most successful documentary at our box office this year was *Moonage Daydream* which was also the opening film at Sheffield Doc/Fest. Our best-selling non-English language film was *The Worst Person In The World*. We also had several successful unique presentations including a sell-out screening of *A Clockwork Orange* in partnership with Sheffield HorrorCon, followed by a Q&A with lead actor Malcolm McDowell.

Our year-round festival programme was the most successful element of our regular audience facing activity with most events seeing much higher attendance than last year including ShAFF (Sheffield Adventure Film Festival), Sheffield Doc/Fest and Celluloid Screams (Horror Film Festival). Touring programmes including our partnership with the London Film Festival also had strong box office results. The Childrens' Media Conference (CMC) was not held at our venue during the financial year, but returned in July 2023.

Although our audiences did not return to the cinema as rapidly as we had hoped this year, the younger sector of our audience have continued to increase. We focussed on this sector with a re-engagement programme targeted at new students and promotion of our Cine26 low-cost ticket membership scheme. We also implemented a restructure of our front-of-house operations staff to reduce our operating costs which helped to offset the lower than anticipated income. This cost-base reduction continued to have a positive impact in 2023-24.

Partnerships

This year we continued to receive financial support from the British Film Institute, in support of our film programme. The BFI also provided support for other projects including the Youth Film Academy, Residential Film Academy and Film Hub North. This was the final year of the current funding agreements with the BFI.

The Youth Film Academy and Residential Film Academy both took place as hybrid events, with some on-line and some in-person activity. Both programmes met or exceeded our diversity targets with a full complement of learners. Our ongoing alumni network also continued to receive a high level of engagement from former students.

We launched a pilot Young Programmers Group this year with financial support from Film Hub North. The programme succeeded in recruiting 24 students who met over 10 weeks to learn about and discuss film programming and audience engagement. The learning programme culminated in a successful week-long festival of the curated film programmes held during school half-term in February 2023. Based on the success of the pilot event, we have built an annual Young Programmers Group into our forward-facing plan starting in autumn 2023.

Film Hub North, which is a partnership with HOME in Manchester, continues to deliver support services to film exhibitors in northern England. FHN also delivers a national film heritage programme and is part of BFI Network which provides support and funding for new filmmakers in northern England.

The BFI who supports FHN and Showroom cinema through grant funding, launched a new ten-year strategy in April 2023. Both Film Hub North and Showroom successfully applied for partnership support from the BFI and received new three years contracts starting in April 2023. Film Hub North received financial support to continue the established work programme supporting film exhibition and young filmmakers. FHN also received support to launch a new programme; Film Academy Plus which will focus on supporting a younger talent cohort.

The BFI agreed to support a new audience development programme at Showroom cinema designed to increase engagement with communities in Sheffield. The programme also includes increased activity of the Young Programmers Group and more investment into relaxed screenings, particularly for autism and dementia groups.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

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. A Green Steering Group was established with representation from across the organisation. We also began regular monitoring our carbon use through an online tool, to provide regular comparison of our progress.

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. We regularly review our policies and practices and have set KPI's to increase diversity within our workforce.

We utilise anonymous recruitment policy and practices and have a positive action plan in place. Staff training held in 2022-23 included British Sign Language awareness, neurodiversity, Equality, Diversity and Inclusion awareness. Six staff members at various levels of the company hierarchy, undertook Mental Health First Aid training.

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 2023 (continued)

Paternoster Limited

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

Catering and Conferences

The Showroom café/bar reopened on the same date as the cinema after the lockdown. Although we have operated a full wet and dry service since reopening, sales did not recover to pre-covid levels in 2022-23. We also had significant increase in energy costs this year. Sales for conferences did not grow as quickly as we had anticipated although we saw notable improvements in the second half of the year. We also experienced difficulties in recruiting and retaining new staff for our kitchen operation in a highly competitive sector.

Following a review of our operation, we undertook a staff restructure to reduce our operating costs which helped to improve the performance of our café/bar and conference activity. We also developed a programme of new sales initiatives to promote our facilities, which we anticipate will continue to help in the following trading period.

Many of the new initiatives we have implemented are having a positive impact during the 2023-24 financial year. More events in the café bar including quiz nights, and short film screenings are attracting new users to the building. The increasing success of the cinema event and festival programme also has a very positive impact on the sales we achieve in our café/bar.

Conferencing and event activity continued to increase throughout the year which has continued in 2023-24. Investment in new on-line software and small meeting pods to be located in the reception space planned for 2024 will assist in continuing to build up the number of conference bookings. Return of the Childrens' Media Conference in July 2023 to our building had a very positive impact with increased sales and footfall.

Workstation

Occupancy of the office workspace reduced during the covid lockdown as several companies' chose to cease trading or to relinquish their tenancies. We offered tenant companies a rent incentive during the lockdown as a way of supporting them and allowing them to remain in the building. After the end of lockdown there was a gradual return of tenants to the building which accelerated towards the end of the year when occupancy had almost returned to pre-pandemic levels. We also had an increase in our rent income due to improved occupancy. This also accelerated in the second half of the year as rent yield per square meter started to increase. Occupancy has continued to increase following the year end and reached the levels we experienced before covid by mid-2023. Several new organisations have now re-located into the building.

The operating costs of the Workstation Increased this year, with electricity and heating having notable above inflation increases. Our service charge to tenants was increased in line with inflation, although the continued rise in our costs means an additional price rise will be implemented in 2023-24.

Facilities

Several significant problems associated with the age of the building arose during the year. We discovered part of the external brickwork cladding had become damaged and potentially dangerous. We dealt with this issue by initially installing safety scaffolding, whilst we carried out a detailed building survey. Although investigations continue, it is clear that we have to undertake extensive repairs to the building over the next few years.

To address this issue, the trustees plan to establish a new Sub-Committee in 2023-24 to oversee our major building repair work and begin the process of securing funding for the capital project. We are approaching a number of grant awarding bodies to identify funding for this work.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Financial Review

Overall, the group saw a diminished performance compared to the previous year, with a loss for the year of £703,438 (prior year surplus of £73,430). The charity's individual position, as detailed on page 13, shows a loss of £877,220 (prior year surplus of £387,012). At March 2023 Paternoster has a significant amount of intercompany debt and owed SMEC £916,234 in total. This is made up of a long-term loan of £400,000 and trading debt of £516,234. In these accounts a bad debt provision for the trading debt has been included within the charity accounts.

The commercial trading subsidiary company Paternoster Limited had a loss for the year. After reopening in May 2021, trading of the café bar and conferencing activity gradually started to increase which has continued into 2023-24. The trading company has seen a significant improvement in sales and profitability at the end of Quarter 2 of 2023-24.

In October 2022 we installed safety scaffolding around the building following discovery of some loose faience brickwork which was potentially dangerous. The cost of installing the scaffold was £97,654. Although we have subsequently removed part of the scaffold and undertake regular surveys, we have retained scaffolding on the east elevation (Shoreham Street). The annual cost of hiring the scaffolding is significant.

We worked closely with our bank and agreed an increased overdraft facility to ensure we could meet the cost of scaffolding.

Capital Investment Plans

Although our capital investment in 2022-23 was minimal, we have identified several major building repair projects which are essential to implement in the next few years. We have begun to approach grant awarding organisations to secure the necessary funds for this work. These projects address essential building repairs and help to reduce our energy use and carbon footprint.

Investments, Reserves policy and Going Concern

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.

The large deficit generated by the group in 2022/23 has reduced the level of reserves and without a return to profitability across all aspects of the charity's activity, increasingly the long-term viability of the charity as it is currently organised will be called into question. The organisational budget for 2023-24 is to make a small loss as sales and profitability have not yet returned to the level achieved before the Covid lockdowns.

The trustees are in the process of developing a new three-year business plan for the period April 2024 – March 2027 which will address the concerns over potential negative future financial performance by refocussing the organisation and ensuring it makes a small surplus in the first year (2024-25), increasing over the next three years to ensure the organisation is sustainable. Regular reviews of trading performance carried out through the profitability working group will continue to address any shortfall and oversee new initiatives. As part of developing the new 3-year business plan in 2023-24 the trustees will review the organisations reserves policy in order to enable Trustees to make informed decisions on which direction to take to improve the financial performance of the Charity and provide improved services to beneficiaries.

Future Plans

The new business plan will address how the organisation can address longer term building repairs. In 2023/24 the board have established a new Sub-Committee to oversee this work and are reviewing if new trustees with appropriate skillsets can be recruited. Discussions with organisations who can provide capital grants have been made and the trustees anticipate further funding applications to be made alongside a public fundraising appeal to support this work.

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (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:

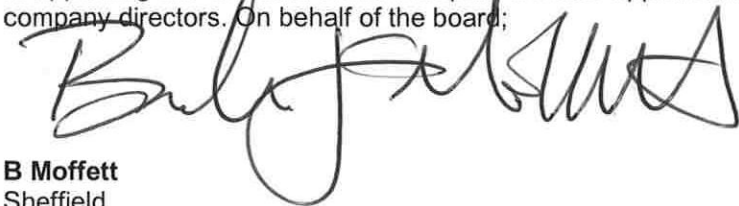
- as far as they are aware, there is no relevant audit information (information needed by the charitable company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to take as trustees in order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

27 November 2023

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 2023 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 2023, 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.

Material uncertainty relating to going concern

We have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the group's ability to continue as a going concern. The group generated a net deficit for the year of £703,438 which reduced the level of reserves accordingly. The matters explained in note 1 to the financial statements indicates the existence of a material uncertainty which may cast doubt over the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern. Our opinion is not modified in this respect.

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

Our responsibilities and the responsibilities of the directors 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: 15 December 2023

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

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

YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	2023 Total £	2022 Total £
Incoming Resources						
Donations and legacies	2	208,297	861,048	-	1,069,345	1,699,795
Investment income	4	28,000	-	-	28,000	28,000
Charitable activities	5	622,606	-	-	622,606	564,170
Other income	6	-	-	-	-	-
Total incoming resources		858,903	861,048	-	1,719,951	2,291,965
Resources expended						
Costs of generating voluntary income	9	10,000	-	-	10,000	10,000
Raising funds	10	-	-	-	-	-
Charitable activities	11	1,564,425	1,001,096	-	2,565,521	1,876,653
Other	12	21,650	-	-	21,650	18,300
Total resources expended		1,596,075	1,001,096	-	2,597,171	1,904,953
Net (Outgoing)/incoming resources before transfers		(737,172)	(140,048)	-	(877,220)	387,012
Transfers	24	78,378	-	(78,378)	-	-
Net movement in funds		(658,794)	(140,048)	(78,378)	(877,220)	387,012
Funds brought forward		1,595,258	144,765	1,758,150	3,498,173	3,111,161
Funds carried forward		936,464	4,717	1,679,772	2,620,953	3,498,173

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 2023

	Notes	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	2023 Total £	2022 Total £
Incoming resources						
Donations and legacies	2	208,297	861,048	-	1,069,345	1,738,323
Activities for generating funds	3	1,809,873	-	-	1,809,873	1,467,633
Charitable activities	5	562,606	-	-	562,606	504,170
Total incoming resources		2,580,776	861,048	-	3,441,824	3,710,126
Resources expended						
Costs of generating voluntary income	8	10,000	-	-	10,000	10,000
Raising funds	9	2,075,152	-	-	2,075,152	1,742,388
Charitable activities	10	1,037,364	1,001,096	-	2,038,460	1,866,008
Other	11	21,650	-	-	21,650	18,300
Total resources expended		3,144,166	1,001,096	-	4,145,262	3,636,696
Net (outgoing)/incoming resources before transfers		(563,390)	(140,048)	-	(703,438)	73,430
Transfers	23	78,378	-	(78,378)	-	-
Net movement in funds		(485,012)	(140,048)	(78,378)	(703,438)	73,430
Funds brought forward		2,226,116	144,765	1,758,150	4,129,031	4,055,601
Funds carried forward		1,741,104	4,717	1,679,772	3,425,593	4,129,031

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 2023

	Notes	31 March 2023		31 March 2022	
		Group £	Company £	Group £	Company £
FIXED ASSETS					
Tangible fixed assets	18	4,379,519	1,883,981	4,518,888	1,960,507
Investment in subsidiaries	19	-	2	-	2
		<u>4,379,519</u>	<u>1,883,983</u>	<u>4,518,888</u>	<u>1,960,509</u>
CURRENT ASSETS					
Stock		17,453	-	16,616	-
Debtors	20	430,871	510,391	609,821	1,078,168
Cash at bank and in hand		60	458,279	128,301	755,235
		<u>448,384</u>	<u>968,670</u>	<u>754,738</u>	<u>1,833,403</u>
CREDITORS – amounts falling due within one year	21	(999,456)	(231,700)	(713,254)	(295,739)
Net current assets/ (liabilities)		<u>(551,072)</u>	<u>736,970</u>	<u>41,484</u>	<u>1,537,664</u>
Total assets less current liabilities		3,828,447	2,620,953	4,560,372	3,498,173
Deferred income	22	(402,854)	-	(431,341)	-
NET ASSETS		<u>3,425,593</u>	<u>2,620,953</u>	<u>4,129,031</u>	<u>3,498,173</u>
CHARITY FUNDS					
Restricted capital fund	24	1,679,772	1,679,772	1,758,150	1,758,150
Restricted income funds	24	4,717	4,717	144,765	144,765
Unrestricted funds	25	580,181	936,464	1,048,842	1,595,258
Revaluation reserve	25	1,160,923	-	1,177,274	-
TOTAL CHARITY FUNDS		<u>3,425,593</u>	<u>2,620,953</u>	<u>4,129,031</u>	<u>3,498,173</u>

The financial statements were approved by the board of trustees on 27 November 2023 and signed on its behalf by:



B Moffett - Trustee

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED**CONSOLIDATED CASH FLOW STATEMENT****YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
Cash flow from operating activities	26	(343,832)	14,974
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(76,831)	(71,095)
Net cash flow from investing activities		<u>(76,831)</u>	<u>(71,095)</u>
Cash flow from financing activities			
Repayment of long-term loans		-	(38,081)
Interest paid		-	(432)
Net cash flow from financing activities		<u>-</u>	<u>(38,513)</u>
Net (decrease) in cash and cash equivalents		(420,663)	(94,634)
Cash and cash equivalents at 1 April		128,301	222,935
Cash and cash equivalents at 31 March		<u>(292,362)</u>	<u>128,301</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		(292,362)	128,301
Cash and cash equivalents at 31 March		<u>(292,362)</u>	<u>128,301</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS

YEAR ENDED 31 MARCH 2023

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 charitable group is currently in a net overdraft position of £292,362. The group generated an overall deficit of £703,438 for the year to 31 March 2023. The trustees have therefore considered the short term and medium-term impact with budgets and cashflow forecasts prepared to cover to March 2025, which show the group operating at a small surplus in 2024/25. 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.

After due consideration of all relevant factors, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

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 2023

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 2023

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 2023

2. DONATIONS AND LEGACIES

	2023 £ Group	2023 £ Company	2022 £ Group	2022 £ Company
Unrestricted				
BFI	150,000	150,000	150,000	150,000
Sheffield City Council	-	-	16,403	12,000
Europa Cinemas	6,164	6,164	-	-
BFI – Culture Recovery Fund	-	-	555,626	555,626
CJRS government grant	-	-	62,469	28,344
Donations	52,133	52,133	-	-
Total unrestricted	208,297	208,297	784,498	745,970
Restricted - revenue				
BFI - Film Hub North 2	605,430	605,430	638,700	638,700
BFI - Other	230,608	230,608	237,709	237,709
Young Programmers	15,000	15,000	-	-
Picturehouse	2,208	2,208	-	-
Film Feels	5,952	5,952	-	-
Dogwoof	-	-	1,000	1,000
National Lottery	-	-	10,000	10,000
Film Club Midlands	-	-	5,000	5,000
Other < £1,000	1,850	1,850	2,916	2,916
Total restricted - revenue	861,048	861,048	895,325	895,325
Restricted – capital				
BFI - Culture Recovery Fund	-	-	58,500	58,500
Total restricted - capital	-	-	58,500	58,500
Total voluntary income	1,069,345	1,069,345	1,738,323	1,699,795

3. ACTIVITIES FOR GENERATING FUNDS

	2023 £ Group	2023 £ Company	2022 £ Group	2022 £ Company
Letting of managed workspace	776,789	-	750,014	-
Commercial operations	1,033,084	-	717,619	-
	1,809,873	-	1,467,633	-

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2023

4. INVESTMENT INCOME

	2023 £	2023 £	2022 £	2022 £
	Group	Company	Group	Company
Loan interest	-	28,000	-	28,000
	-	28,000	-	28,000

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2023 £	2023 £	2022 £	2022 £
	Group	Company	Group	Company
Unrestricted				
Box office receipts	449,718	449,718	407,096	407,096
Centre hire	65,236	65,236	51,808	51,808
Membership fees	25,278	25,278	19,098	19,098
Advertisement income	18,631	18,631	13,748	13,748
Management fee	-	60,000	-	60,000
Other income	3,743	3,743	12,420	12,420
	562,606	622,606	504,170	564,170

6. NET OUTGOING RESOURCES

	2023		2022	
	Group £	Company £	Group £	Company £
This is stated after charging:				
Operating lease rentals – land and buildings	-	6,000	-	6,000
Depreciation	216,200	117,331	223,649	121,719
Loss on disposal of fixed assets	-	-	865	865
Government and other grants receivable	-	-	(38,528)	-

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2023

7. AUDITOR'S REMUNERATION

The auditor's remuneration amounts to a fee of £15,000 (2022: £12,300) and £1,500 for other services (2022: £1,200).

8. COSTS OF GENERATING VOLUNTARY INCOME

	2023 £ Group	2023 £ Company	2022 £ Group	2022 £ Company
Support costs (note 12)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

9. RAISING FUNDS

	2023 £ Group	2023 £ Company	2022 £ Group	2022 £ Company
Managed workspace cost	902,601	-	832,001	-
Commercial operations	<u>1,172,551</u>	<u>-</u>	<u>910,387</u>	<u>-</u>
	<u>2,075,152</u>	<u>-</u>	<u>1,742,388</u>	<u>-</u>

10. CHARITABLE ACTIVITIES

Cost of operation of cinema and centre hire

	2023 £ Group	2023 £ Company	2022 £ Group	2022 £ Company
Film performances and related costs				
Film hire	190,466	190,466	158,058	158,058
Project costs	294,698	297,048	252,489	254,439
Film Hub North grants disbursed	470,080	470,080	424,929	424,929
Centre costs				
Marketing costs	23,039	23,039	17,263	17,263
Wages and related costs	386,696	386,696	352,117	352,117
Printing and advertising	13,833	15,168	20,463	21,063
Depreciation – equipment	24,105	24,105	31,121	31,121
Credit card charges	9,957	9,957	10,052	10,052
Other expenses	20,424	536,658	10,878	10,877
	<u>1,433,298</u>	<u>1,953,217</u>	<u>1,277,370</u>	<u>1,279,919</u>
Support costs (note 12)	605,162	612,304	588,638	596,734
Total cost of charitable activities	<u>2,038,460</u>	<u>2,565,521</u>	<u>1,866,008</u>	<u>1,876,653</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2023

11. OTHER COSTS

	2023 £ Group	2023 £ Company	2022 £ Group	2022 £ Company
Audit fee	11,650	11,650	8,300	8,300
Support costs (note 12)	10,000	10,000	10,000	10,000
	<u>21,650</u>	<u>21,650</u>	<u>18,300</u>	<u>18,300</u>

12. INDIRECT SUPPORT COSTS

	2023 £ Group	2023 £ Company	2022 £ Group	2022 £ Company
Salaries and related costs	275,062	275,062	273,132	273,132
Travel and hospitality	29,778	29,778	12,829	12,829
Rent, rates and service charges	8,345	14,249	6,582	12,486
Heat and power	112,424	112,424	78,031	78,031
Printing, postage and stationery	701	1,807	936	2,324
Repairs and maintenance	26,079	26,079	39,671	39,671
Insurance	15,064	15,064	15,683	15,683
Telephone charges	287	419	222	354
Licences and subscriptions	5,669	5,669	5,955	5,955
Professional fees	2,236	2,236	15,584	15,584
Bank charges	3,323	3,323	2,034	2,034
Bank interest	-	-	216	216
Equipment hire and leasing	2,621	2,621	2,587	2,587
Computer software and consumables	18,852	18,852	10,289	10,289
Website development	380	380	10,521	10,521
Cleaning and sundry expenses	31,115	31,115	42,903	43,575
Depreciation				
- long leasehold property	70,572	70,572	70,573	70,573
Depreciation - fixtures, fittings and equipment	22,654	22,654	20,025	20,025
Loss on disposal	-	-	865	865
	<u>625,162</u>	<u>632,304</u>	<u>608,638</u>	<u>616,734</u>
<i>Allocation</i>				
Charitable activities	605,162	612,304	588,638	596,734
Generating voluntary income	10,000	10,000	10,000	10,000
Other costs	10,000	10,000	10,000	10,000
	<u>625,162</u>	<u>632,304</u>	<u>608,638</u>	<u>616,734</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 2023

13. 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 2023 is detailed in note 19 of these financial statements. A summary of its trading results including intra-group sales is shown below:

	Paternoster Limited	
	Managed workspace £	Commercial operations £
Turnover	785,266	1,035,434
Cost of sales	(434,026)	(841,804)
Gross profit	351,240	193,630
Administrative expenses	(557,063)	(330,749)
Interest payable	(28,000)	-
Other operating income	28,488	-
Operating deficit for year	(205,335)	(137,119)
Loss from commercial operations	(137,119)	137,119
Profit on ordinary activities before taxation	(342,454)	-
Net loss for the year retained	(342,454)	-

14. STAFF COSTS AND TRUSTEES'S REMUNERATION

	2023		2022	
	Group £	Company £	Group £	Company £
Wages and salaries	1,349,890	489,053	1,154,612	453,809
Social security costs	96,331	34,900	78,884	31,004
Pension costs	26,274	9,519	22,760	8,946
	1,472,495	533,472	1,256,256	493,759

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

	2023		2022	
	Number	FTE	Number	FTE
Raising funds	60	24	46	40
Charitable activities	31	24	33	19
	91	48	79	59

The number of employees who earned between £60,000 and £69,999 during the year was 1 (2022: 1).

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2023

14. STAFF COSTS AND TRUSTEE REMUNERATION (continued)

The trustees neither received nor waived any remuneration during the year (2022: £nil). No trustees had expenses reimbursed during the year (2022: £nil).

The total amount of employee benefits received by key management personnel is £243,318 (2022: £273,380). 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

15. INTEREST PAYABLE AND SIMILAR CHARGES

	2023		2022	
	Group £	Company £	Group £	Company £
Bank loans and overdrafts	-	-	432	216
	<u>-</u>	<u>-</u>	<u>432</u>	<u>216</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2023 - Group

	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	Total £
Tangible fixed assets	2,699,747	-	1,679,772	4,379,519
Current assets	443,667	4,717	-	448,384
Current liabilities	(999,456)	-	-	(999,456)
Long term liabilities	(402,854)	-	-	(402,854)
	<u>1,741,104</u>	<u>4,717</u>	<u>1,679,772</u>	<u>3,425,593</u>

2023 - Company

	Unrestricted Funds £	Restricted Income Fund £	Restricted Capital Fund £	Total £
Tangible fixed assets	204,211	-	1,679,772	1,883,983
Current assets	963,953	4,717	-	968,670
Current liabilities	(231,700)	-	-	(231,700)
Long term liabilities	-	-	-	-
	<u>936,464</u>	<u>4,717</u>	<u>1,679,772</u>	<u>2,620,953</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2023

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

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>

17. FINANCIAL COMMITMENTS

	2023		2022	
	Group £	Company £	Group £	Company £
As at 31 March the annual commitments under non-cancellable operating leases were as follows:-				
Due within 1 year	6,588	-	5,797	-
Due within 1 to 2 years	6,588	-	5,362	-
Due within 2 to 5 years	18,498	-	16,220	-
	<u>31,674</u>	<u>-</u>	<u>27,379</u>	<u>-</u>

As at 31 March 2023 the company and the Group had capital commitments of £nil (2022: £nil).

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2023

18. TANGIBLE FIXED ASSETS – GROUP

	Long leasehold property £	Fixtures fittings & equipment £	Total £
Cost or valuation			
At 1 April 2022	6,761,247	2,653,100	9,414,347
Additions	-	76,831	76,831
At 31 March 2023	<u>6,761,247</u>	<u>2,729,931</u>	<u>9,491,178</u>
Depreciation			
At 1 April 2022	2,706,109	2,189,350	4,895,459
Charge for the year	102,912	113,288	216,200
At 31 March 2023	<u>2,809,021</u>	<u>2,302,638</u>	<u>5,111,659</u>
Net book value			
At 31 March 2023	<u>3,952,226</u>	<u>427,293</u>	<u>4,379,519</u>
At 31 March 2022	<u>4,055,138</u>	<u>463,750</u>	<u>4,518,888</u>

TANGIBLE FIXED ASSETS – COMPANY

	Long leasehold property £	Fixtures fittings & equipment £	Total £
Cost			
At 1 April 2022	3,528,630	1,437,722	4,966,352
Additions	-	40,805	40,805
Disposals	-	-	-
At 31 March 2023	<u>3,528,630</u>	<u>1,478,527</u>	<u>5,007,157</u>
Depreciation			
At 1 April 2022	1,750,848	1,254,997	3,005,845
Charge for the year	70,572	46,759	117,331
Disposals	-	-	-
At 31 March 2023	<u>1,821,420</u>	<u>1,301,756</u>	<u>3,123,176</u>
Net book value			
At 31 March 2023	<u>1,707,210</u>	<u>176,771</u>	<u>1,883,981</u>
At 31 March 2022	<u>1,777,782</u>	<u>182,725</u>	<u>1,960,507</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2023

19. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Cost of shares in subsidiary undertaking

	£
At 1 April 2022 and 31 March 2023	<u>2</u>

The subsidiary of the company at 31 March 2023 (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	288,408	(342,454)

20. DEBTORS

	2023		2022	
Due within one year:	Group £	Company £	Group £	Company £
Trade debtors	123,867	3,932	111,395	4,170
Other debtors	264,710	64,165	457,883	350,183
Prepayments and accrued income	42,294	42,294	40,543	40,543
Amount owed by group undertakings	-	400,000	-	683,272
	<u>430,871</u>	<u>510,391</u>	<u>609,821</u>	<u>1,078,168</u>

Of the amount owed by group undertakings, £400,000 (2022: £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 2023

21. CREDITORS

Amounts falling due within one year	2023		2022	
	Group £	Company £	Group £	Company £
Bank overdraft	292,422	-	-	-
Trade creditors	227,730	69,877	227,163	87,333
Other creditors	307,301	60,553	313,762	94,614
Taxation and social security	91,550	20,817	58,537	-
Accruals and deferred income	80,453	80,453	113,792	113,792
	<u>999,456</u>	<u>231,700</u>	<u>713,254</u>	<u>295,739</u>

22. DEFERRED INCOME – GROUP

	2023 £	2022 £
Government grants and other income at 1 April	431,341	460,559
Grants received during the year		-
Amount released in year	<u>(28,487)</u>	<u>(29,218)</u>
Balance at 31 March	<u>402,854</u>	<u>431,341</u>

23. TRANSFER BETWEEN FUNDS

	2023		2022	
	Group £	Company £	Group £	Company £
Release of restricted capital funds re depreciation of capital assets	78,378	78,378	75,160	75,160
Transfer from restricted income funds	-	-	(6,331)	(6,331)
	<u>78,378</u>	<u>78,378</u>	<u>68,829</u>	<u>68,829</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2023

24. RESTRICTED FUNDS – Group and Company

2023	Balance at 31 March 2022 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2023 £
Restricted capital funds	1,758,150			(78,378)	1,679,772
2022	Balance at 31 March 2021 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2022 £
Restricted capital funds					
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
	1,768,479	58,500	-	(68,829)	1,758,150

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.

2023	Balance at 31 March 2022 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2023 £
Restricted income funds					
Film Hub North 2 (BFI)	102,129	605,430	(707,559)	-	-
Talent Development (BFI)	38,770	164,308	(203,078)	-	-
Youth Film Academy (BFI)	292	17,300	(17,592)	-	-
Residential Academy (BFI)	-	45,000	(45,000)	-	-
Venue Education Fund (BFI)	-	4,000	(4,000)	-	-
National Lottery	3,574	-	(3,574)	-	-
Film Feels	-	5,952	(5,952)	-	-
Young Programmers	-	15,000	(11,333)	-	3,667
Picturehouse	-	2,208	(2,208)	-	-
Other < £1,000	-	1,850	(800)	-	1,050
	144,765	861,048	(1,001,096)	-	4,717

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2023

24. RESTRICTED FUNDS – Group and Company (continued)

2022	Balance at 31 March 2021 £	Incoming resources £	Resources expensed £	Transfer £	Balance at 31 March 2022 £
Restricted income funds					
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>

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 2023

25. UNRESTRICTED FUNDS

	Company Unrestricted income fund £	Group Revaluation Reserve £
Balance at 1 April 2022	1,595,258	1,177,274
Net movement in funds for the year	(737,172)	-
Transfer during the year	78,378	(16,351)
Balance at 31 March 2023	<u>936,464</u>	<u>1,160,923</u>

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

	2023 Group £	2022 Group £
Net (outgoing)/ incoming resources	(703,438)	73,430
Interest payable	-	432
Net outgoing resources from operations	<u>(703,438)</u>	<u>73,862</u>
Depreciation and amortisation	216,200	223,649
Loss on disposal of fixed assets	-	865
(Increase) in stock	(837)	(7,527)
Decrease/(increase) in debtors	178,950	(302,505)
(Increase)/decrease in creditors	(34,707)	26,630
Net cash inflow from operating activities	<u>(343,832)</u>	<u>14,974</u>

SHEFFIELD MEDIA AND EXHIBITION CENTRE LIMITED

NOTES ON ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2023

27. ANALYSIS OF NET DEBT

	1 April 2022		Cash flow	Other non- cash charges	31 March 2023
	£	£	£	£	£
Cash at the bank and in hand	128,301		(128,241)	-	60
Bank overdrafts	-		(292,422)	-	(292,422)
Cash and cash equivalents	<u>128,301</u>		<u>(420,663)</u>	<u>-</u>	<u>(292,362)</u>
Debits falling due within one year	-		-	-	-
Debits falling due after one year	-		-	-	-
	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
	<u>128,301</u>		<u>(420,663)</u>	<u>-</u>	<u>(292,362)</u>

28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the board of directors.

29. 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.