

MEDICINEMA

feel better with film

MEDICINEMA
(A COMPANY LIMITED BY GUARANTEE)

Trustees Report and Financial Statements
For the year ended 31 December 2020



Charity registration no 1058197 (England and Wales)

Charity registration no SC039704 (Scotland)

Company registration no 3210199 (England and Wales)



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Message from the CEO

Dear Reader

I do hope that you and your families have been able to stay safe and well this past year, it has been tough for everyone. At the time of submitting these accounts, COVID-19 vaccinations across the UK are being rolled out at incredible speed, and the numbers of new infections are slowly decreasing. At last we can now start to see some light on the horizon.

At the beginning of last year however, we had no idea how devastating the impact of COVID-19 would be. 2020 was defined by growing numbers of deaths, lockdowns and enormous pressure on an already overstretched NHS. We can all agree that healthcare workers have been nothing less than heroic.

The impact on non-COVID NHS hospital patients was quickly and sharply felt. With strict visitor restrictions swiftly put in place, those patients in hospital were left feeling more isolated than ever with no family or friends allowed to visit – and only limited family for children. We've all had a taste of the distress that this isolation can cause us in our own homes, away from so many of the people we love, but at least with our personal home comforts and familiarity in our settings.

When we had to close the doors to our cinemas in March 2020, we certainly didn't think that they would be closed for long. Even with this in mind, our small head office team were able to pivot incredibly quickly to set up a new service in order to bring the benefits of film to people who needed it the most. This required a fast-track bringing together of a new partnership with Hospedia, the leading supplier of hospital bedside screens, and Non-Theatrical film distributors Filmbankmedia, resulting in a free MediCinema film channel for patients on their bedside screens. I also must thank our film distributor partners also for allowing us to screen their films.

This service has been more successful than we could possibly have imagined, with over 11,000 patients watching more than 31,000 hours of films across the year.

In addition, we designed ten separate Moments that Matter activity packs with our partner The Walt Disney Company, utilising their characters and stories and distributed tens of thousands of them to support paediatric patients. These packs were specially created to foster positive feelings, increase confidence and help build emotional resilience of children in hospitals and hospices who were increasingly isolated during this period. We have expanded now to deliver these to hospitals we don't usually work with and know they have been warmly received.

A Matron at the West Middlesex Hospital told us, "Thank you so much for providing us with these activities, they have kept us going in the height of COVID and for this, we are really grateful."

We were even able to welcome thousands of patients to watch films in our cinemas, both before lockdown and for a limited number of socially distanced screenings where we have put in place new protocols with the hospitals - though we have had to open and close some cinemas dependent on developing circumstances.

Altogether MediCinema managed to provide over 43,000 experiences for patients in hospital and for this I am incredibly proud.

As for many others, the financial impact of the pandemic has been severe. While we lost a significant level of projected income, due to careful planning we had entered the year in a strong financial position with high reserves. This has enabled us to continue our work and deliver our services for patients.

We are hugely grateful for the support of the Julia and Hans Rausing Trust, Vue Cinemas, and to The Walt Disney Company through our ongoing programmes and for its significant contribution to our capital fund. This will enable MediCinema to continue to plan for future builds.

Looking back at the year now, at the challenges we've all had to face as a charity and as a team, at home and at work, I believe we have achieved an incredibly high level of support for our patients. I would like to thank all our donors for their continued help, and I'm very happy to say that we are still on track to reach our target of supporting 75,000 patients by 2025, set out in our strategic plan of 2018-2025.

On that, I will leave you with the words of Gerard who visited the CW+ MediCinema at the Chelsea and Westminster Hospital in October. Despite being in hospital he was able to experience the closing night of the London Film Festival at the same time as cinemagoers around the country, watching the premiere showing of the film Ammonite.

"This afternoon I felt like I would pay someone £1 million to take me off the ward, but tonight it all happened for free! To be able to come along in my hospital bed, to see such an interesting drama, and meet lovely people – what a wonderful, magical evening."

Stay safe and well and here's hoping that this next year sees us all start to emerge from the cloud of this pandemic.

With warmest regards to you all,



Kat Mason
Chief Executive Officer





REFERENCE AND ADMINISTRATIVE DETAILS

Charity number (England and Wales)	1058197
Charity number (Scotland)	SC039704
Company number	3210199
Registered Office	Conybeare House, Guy's Hospital, London, SE1 9RT

Our advisors

Auditors	Sayer Vincent, Invicta House, 108-114 Golden Lane, London EC1Y 0TL
Bankers	Coutts & Co, 440 Strand, London, WC2R 0QS CAF Charity Services, Kings Hill, West Malling, Kent, ME19 4TA
Solicitors	Akin Gump Strauss Hauer & Feld LLP, Bishops Square, Spitalfields, London E1 6EG

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Chair	P Massara
Elected Trustees	L Atkinson S Bristow M Burbidge J Chan P Hoy Dr N Lessof C Lilly S Moore (resigned 16 Sept 2020) S Morrill K Styles (resigned 18 May 2020) K Williams
Secretary	K Mason

Key management personnel

Chief Executive	Kat Mason (maternity leave May 2019 - Feb 2020)
Interim Chief Executive	Steve Crump (maternity cover April 2019 - April 2020)
Director of Operations	Paul Giggall
Director of Fundraising	Adam Johnson (until October 2020)
Director of Communications	Lysette Cohen

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and accounts for the year ended 31 December 2020.

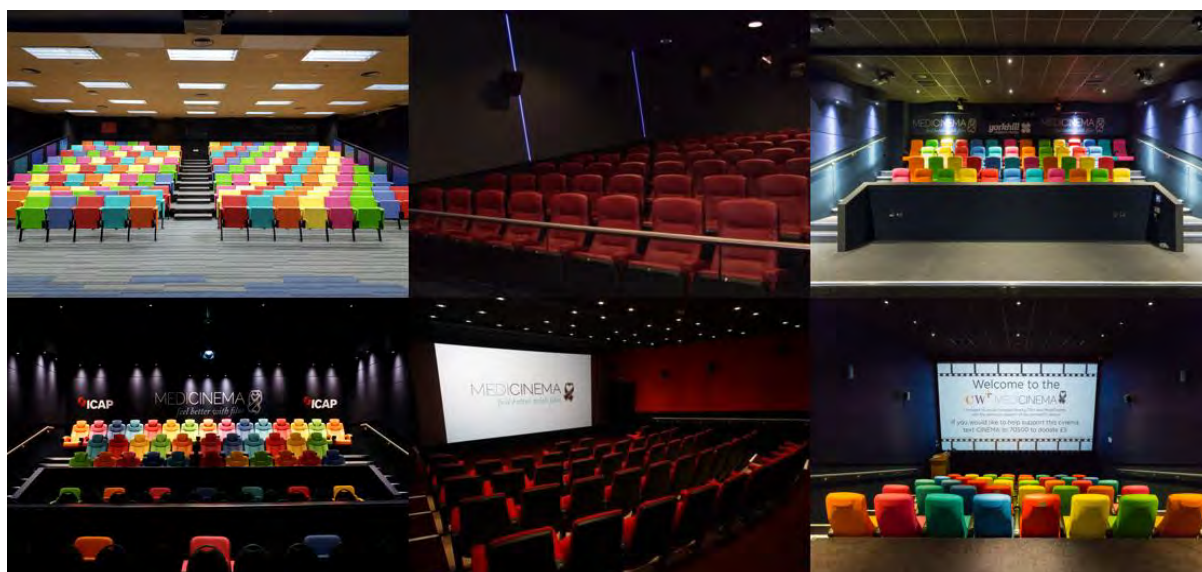
The accounts have been prepared in accordance with the accounting policies set out in Note 1 and comply with the charity's memorandum and articles of association, *the Charities Act 2011, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard application in the UK and Republic of Ireland (FRS 102)*.

Our objectives and activities

The object of MediCinema is the relief of sickness, infirmity and old age by providing cinematic and kindred entertainment in hospitals, hospices, residential establishments and other establishments of a similar nature; and the promotion of any other charitable purpose for the relief of sick, infirm or elderly patients or residents as the trustees shall from time to time think fit. The charity aims to enrich the quality of life in hospitals and places of care for patients young and old by screening, free of charge, current cinema releases in an on-site cinema, away from the ward.

We currently have six MediCinemas in the following locations:

- MediCinema at St. Thomas' Hospital, London
- MediCinema at the Royal Victoria Infirmary, Newcastle
- MediCinema at the Serennu Children's Centre, Newport
- The ICAP MediCinema at Guy's Hospital, London
- The Yorkhill MediCinema at Southern General Hospitals (Royal Hospital for Children & Queen Elizabeth University Hospital), Glasgow
- CW+ MediCinema at Chelsea and Westminster Hospital, London



MediCinemas are designed to accommodate wheelchairs and hospital beds to support as many patients as possible. Patients using the MediCinemas include those with drips and on respirators; those recovering from operations; undergoing chemotherapy or dialysis; and many, many more. As well as being looked after by our volunteers and cinema managers, patients receive constant medical care from our nurses who attend screenings throughout. Safeguarding and care are central to MediCinema's offering, and our resourcing arrangements reflect this.

Families and carers are welcome to attend alongside patients, ensuring that the cinema offers an opportunity for patients to escape the isolation of their wards and spend quality time with their loved ones outside of the medical setting, in the 'normal' activity of going to the cinema. If there is capacity at individual screenings NHS staff members are also welcome to attend. This is not only a benefit to staff but also a way to engage the hospital and promote the service.

Outside of the MediCinemas' use as a cinema, we work in partnership with the Hospital Trusts and partner organisations to ensure the best usage of the space throughout the year. This includes supporting medical teaching and training, clinical multi-disciplinary meetings, external and internal lectures and meetings, as well as other arts and entertainment activities as part of the non-clinical support of patients. While our cinemas are suspended due to COVID-19, we are proud that the spaces have instead been used to train staff and for staff wellness amongst other things.

MediCinema's work benefits all patients signed off by the medical staff as well enough to attend screenings under the care of the dedicated nurses, their families and carers. In addition, MediCinema has a wider benefit to carers, families and staff in our sites of operation, as well as to our own staff and volunteers. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance *Public Benefit: Running a Charity (PB2)*.

The trustees have considered these matters and concluded:

- 1) that the aims of the organisation continue to be charitable;
- 2) that the aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
- 3) that the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
- 4) that there is no detriment or harm arising from the aims or activities.



Achievements and Performance



Over 193,000 cinema experiences given by MediCinema since the charity started in 1999

In 2020 MediCinema provided 43,697 experiences to patients compared to 23,867 in 2019

- 12.3% of these were through our core MediCinema screenings
- 25.2% were through our **new** free bedside screen service
- 62.5% were through our activity packs and Moments that Matter partnership with Disney

This consisted of:

- 5,365 attendees at 333 cinema screenings
- 11,023 users watching for 31,204 hours at their bedside
- 27,309 people through Activity Packs and Moment that Matter events.

Moments that Matter Activity packs:

- 27,050 packs delivered
- 32 hospitals reached
- 54 hospices reached
- 10 different Disney themed packs

In 2020, we continued to deliver excellent – and new – services to our patients, their families and loved ones. This year saw us broaden our services in order to adapt to the changing circumstances posed by COVID-19 and the needs and challenges this presented. We continued work on the implementation of the 2018-2025 strategic plan which aims, over the next five years, to double the scope and triple the reach of our service by 2025.

Supporting patients and their families through the power of film

Cinema screenings

Between 1st January 2020 to 11th March 2020 after which our cinemas were suspended, over 4,600 people visited a MediCinema to watch a film. We have continued to work closely with our hospital partners and from the end of August, some of our cinemas reopened with new COVID-19 procedures for socially distanced screenings. In that period more than 700 patients were able to visit one of four of our sites and watch a film. We have had to close and reopen some sites depending on individual circumstances, but we remain flexible and look forward to getting them all open again.



Mary came to see The Secret Garden at a socially distanced screening at the CW+ MediCinema in November. She told us: *“I was astounded! I'd never heard of cinemas in hospitals before. I think it's fabulous. I'm a doctor, and I've worked in hospitals all my life. Coming to CW+ MediCinema lifted me from a COVID-19 world of seclusion into a place of utter magic! And I felt, with the nurses and volunteers and other patients, as if I was amongst friends.”*

A new free to use bedside service

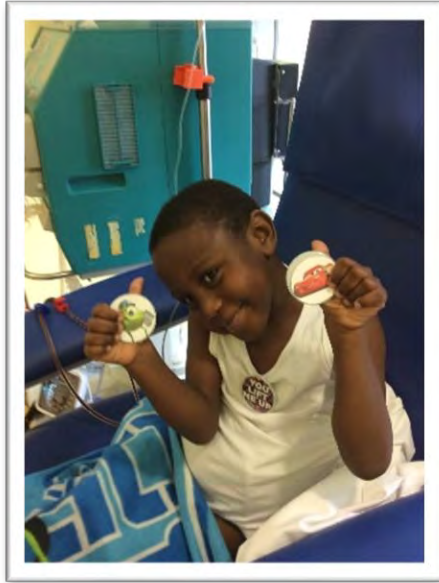
After suspending our cinemas in mid-March, in less than a month our Operations team were able to bring together a new partnership in order to screen films at patients' bedsides. We teamed up with Hospedia, the leading supplier of hospital bedside screens, and non-theatrical film distributors Filmbankmedia. A new channel was launched screening films for free for patients, the majority of whom were on their own on the wards unable to receive visitors due to COVID restrictions. This bedside service has also been made possible thanks to the support of our theatrical film distributor partners. There are two films played each week which are on rotation every two hours. At the time of writing our bedside service has been extended to seven hospitals.



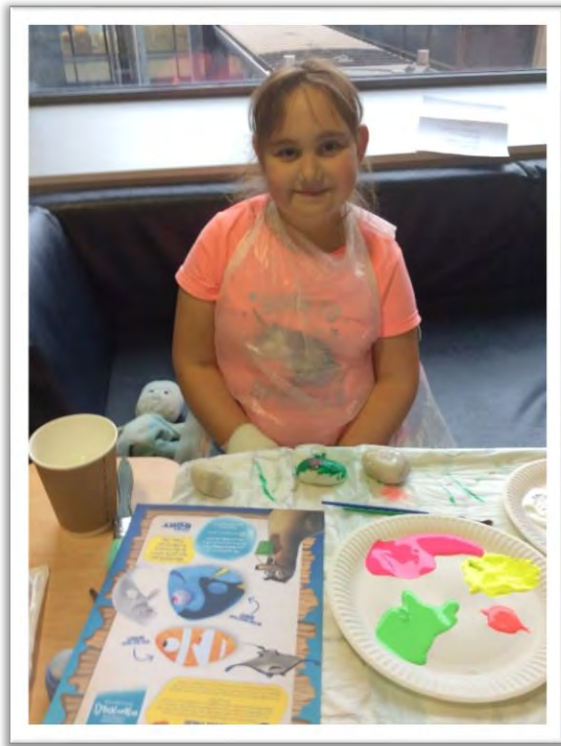
*“My son **Theo** loves seeing what film is on. As soon as he enters the dialysis unit, he goes straight onto the channel. It actually helps him keep his mind off the treatment. Before this started, he used worry as soon as he entered the ward, as treatment was the first thing on his mind. But now it's what film is on? **So thank you for helping my son not worry as much now.**”*

Moments that Matter Activity Packs for children

Throughout the COVID crisis MediCinema, together with its long-term partner The Walt Disney Company, has been designing and distributing activity packs with extra-special meaning to children in hospitals and hospices. While visitors have been severely restricted, these colourful packs based on everyone's favourite Disney characters are designed to help foster positive feelings, increase confidence, help build emotional resilience and reduce isolation during a period in which connecting with others is even more challenging. More of these activity packs are planned for this year.



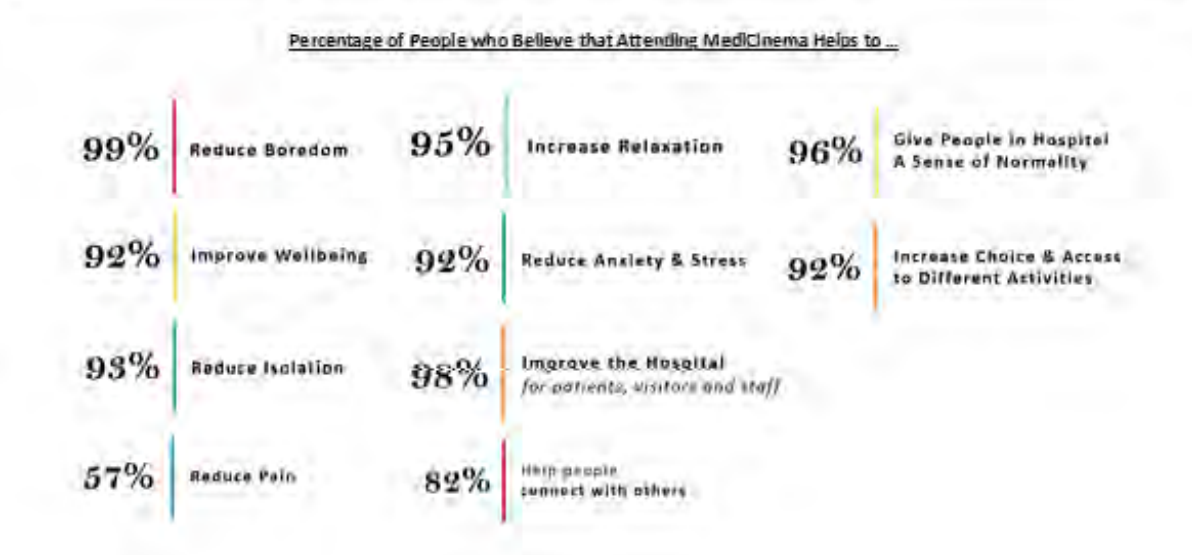
Natalie, Play & Youth Service Team Lead at the Chelsea and Westminster and West Middlesex Hospitals: *“As play specialists we aim to ‘normalise’ the hospital for the children, taking away their fear when they are here for treatment. By giving them things to play with, that they can take home with them and take pride in, we help to create long-lasting positive memories of their hospital experience. The MediCinema and Disney activity packs and arts & crafts fit perfectly with our objectives and were a life saver at the start of the outbreak when resources were limited. **We were in desperate need of individual activities that the children could keep and take home ... and then the activity packs arrived.** They have made such a difference here and the children absolutely love them.”*



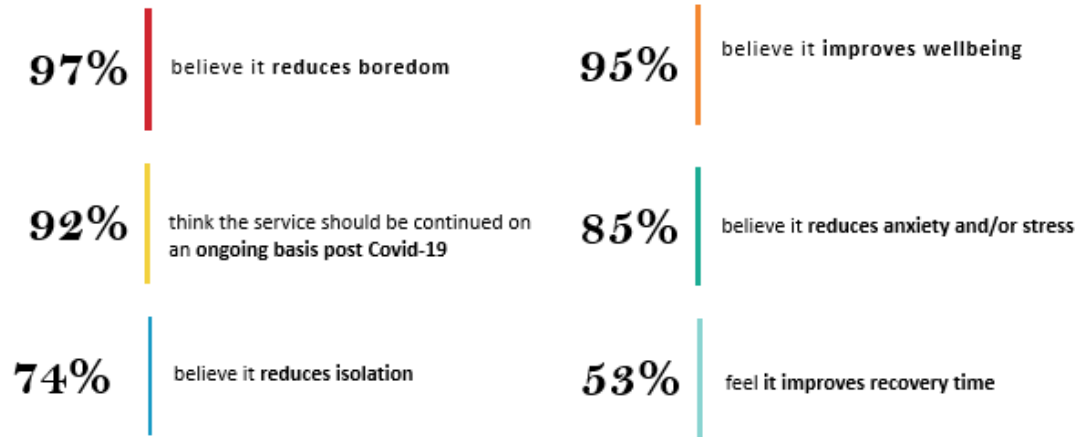
Measuring our Impact

We know that our cinema services benefit patients, reducing anxiety, stress and feelings of isolation, increasing their quality of life and well-being. Because of the COVID-19 crisis and the suspension of our cinemas for some time, the survey data we have from 2019 is the last piece of quantitative data we were able to fully collect and was included in our last Annual Review. It is restated here for reference.

Our evaluation in 2019 evidenced that we achieve the following key outcomes:



A survey of hospital staff in November 2020 relating to our new bedside screen service showed strong support of its value:



Patient Stories

The stories our beneficiaries tell us about the difference we have made to them and their families' lives are just as important as impact figures revealed in our surveys. Here are just a few from the many received throughout the year:

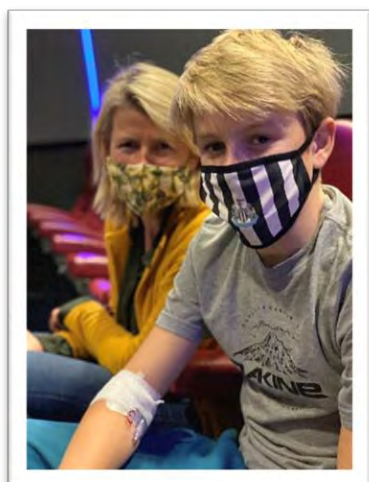
Sophia-Hope



Six-year-old Sofia-Hope was a pre-term baby and has cerebral palsy and epilepsy. She developed severe sepsis and ended up in Emergency Intensive Care. Her mum Keleigh explains: *“Looking at the same four walls all the time is so difficult. We can’t go out for the day or do anything really. There are only so many times you can go to the ward playroom. So being able to come to the CW+ MediCinema allows us to get Sophia-Hope out of her room and means we are able to leave the ward – we can do something normal and we forget we’re in hospital. **Being able to come to***

MediCinema is life changing for a child.** When you have a child with complex needs it is so difficult. Difficult for the whole family. Coming to MediCinema brings everyone together. On top, if you have a child whose life expectancy is not like others, it is all about making memories. **When in hospital there aren’t many opportunities to make memories, so coming to the MediCinema allows us to create these positive memories together. You cannot underestimate how much these moments really matter.

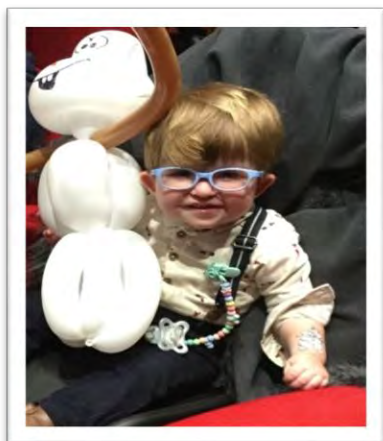
Jack



16-year-old Jack was admitted to the Royal Victoria Infirmary with a bone infection. Jack told us: *“My hospital stay was difficult. I missed playing rugby, seeing my friends and being at school. I love all of these things and **it was awful to be confined to a hospital bed for 16 days without being able to see anyone, go outside or do anything physical.** I was in a lot of pain and found the hospital stay emotionally difficult too – staying in the same room for a full two weeks isn’t good for anyone. The volunteers who came to pick me up in the wheelchair were kind and chatted to me on the way there. On the way back we discussed the film which was interesting. My Mum really enjoyed it too. It was good for us both to have a change of scene and to have something else to talk about together afterwards – a shared experience. **The whole experience has made me realise how important a patient’s mental well-being is when***

they are in hospital – and MediCinema was a good focus for the day. Without it, every day of my stay would have been pretty much the same. It made a huge difference to my hospital experience and really cheered both me and my Mum up – so thank you.”

Jayden



Jayden was adopted by Mum, Joanna in 2019 and she has been bringing him to the MediCinema at Serennu Children’s Centre for two years. He was diagnosed with Neurofibromatosis type 1 and is also unable to speak, so is reliant on Makaton for signing communication. *“When we first came across MediCinema, we thought it sounded really exciting, because it would provide a whole new experience for Jayden. We particularly like the idea that Jayden’s siblings were able to attend as well, as he loves doing things with his brothers. **We had a lot in common with the other patients there and when Jayden occasionally wanted to get down and wander a bit during the screening, we didn’t have to feel concerned about it at all. We felt comfortable because we***

*were all in the same boat – it meant that Jayden could enjoy the film, make a few noises and wander about and it was still okay. **He was really happy afterwards and was smiling for ages. This is only cinema that we can go to. MediCinema provides a wonderful experience for the whole family to enjoy – especially for children like Jayden for whom opportunities like this can be difficult to find. It’s also provided us with something that his brothers greatly enjoy too – it’s something he can share with them.”***

Volunteer Support

MediCinema continues to benefit from an expansive volunteer network which works alongside our paid staff (cinema managers and nurses at our in-hospital sites and technical assistant at the Serennu Centre) to collect patients from the wards, walk with them or push wheelchairs or beds, bring them to the cinema and then return them to their wards after the film. More importantly, volunteers put patients, who may be very anxious about leaving the ward, at ease and give patients the chance to talk about something completely unrelated to their condition. This social interaction is vital for patients and their families, especially patients who don't get many, if any, visitors.

Since we first suspended our cinemas in March 2020 due to COVID, we have been unable to use our volunteers even in socially distanced screenings because of strict hospital COVID-protocols.

“We simply couldn’t deliver the MediCinema screening programme without the support of our incredible volunteers. We value their time enormously - it is no mean feat to walk the wards and engage patients whilst ensuring their experience is positive and adds to their wellbeing. Though we were only able to use volunteers before the suspension of our cinemas in March 2020 we are very much looking forward to their return once the current situation improves.” Paul Giggall, Director of Operations

Organisational Development

In 2020, Board member Kezia Williams was appointed to the newly created role of Vice Chair of the MediCinema Board. This role was created to work alongside the current Chair Paul Massara until he steps down this year in line with the MediCinema Board terms of appointment. He became Chair in 2016. Kezia will step up to the role of Chair as Paul leaves in 2021. Stephen Moore who between 2011-2014 had been CEO of MediCinema and then a Board member, stepped down at the end of his two-term tenure.

Within the staff team, due to the COVID crisis we have had to put several people on the furlough scheme, some full time and some partial. In addition, towards the end of 2020 our Director of Fundraising took the decision to step down. Due to the COVID situation we have not replaced this position but instead the CEO has stepped in to oversee Fundraising, working with the Senior Partnerships Manager on all fundraising streams.

New MediCinema Developments

In 2018 we commenced work to identify new sites for the development of MediCinema capabilities where they would have the most impact, as referenced in the charity's published 2018-2025 growth strategy. After extensive consultation and negotiation across the NHS space key sites emerged.

These talks have continued to take place this year but as a result of COVID there will be some varied delays in the plans moving forward and they are expected to come to fruition at a slightly later date than had been planned.

Key sites under discussion:

The Midland Metropolitan Hospital (Sandwell and West Birmingham NHS Hospitals Trust)

A new acute general hospital, the Midland Metropolitan occupies a 6.5 hectares site in Smethwick near Birmingham. The hospital will have 670 beds and 15 operating theatre suites.

The Royal Manchester Children's Hospital (Manchester University NHS Foundation Trust)

A large and very busy children's hospital, the Royal Manchester has 371 paediatric beds and a further 60 neonatal cots in the adjacent tertiary neonatal unit of Saint Mary's Hospital.

Other discussions continue with a number of other NHS Trusts and hospitals, including

- The New Children's Hospital (NCH) Dublin
- Great Ormond Street Hospital for Children



Engaging the NHS: Ensuring sustainability

To further progress its work with the NHS, at the beginning of 2020 MediCinema engaged a health specific communications agency to support representation at key conferences and partnership events during 2020. Due to COVID budgetary constraints and the impracticality of being able to effectively have impact at this time, the work has been put on hold. As we work through the long-term need and structure of our bedside and on-ward services complementary to our core cinema service, we do so with our beneficiaries and healthcare partners at the heart of this development work, which will come to fruition in 2021.

MediCinema Italy

MediCinema Italy is a separate organisation to MediCinema UK; in 2021 work is continuing to progress the MediCinema UK / Italy partnership through the exchange of information and best practice, with a view to formalising the association of all MediCinema organisations in the coming years.

MediCinema Ireland

In 2020, MediCinema Ireland was registered as a company and it is now in the process of being registered as a charity. A MediCinema Ireland Board team has now been established with Trish Long, The Walt Disney Company's VP and MD for Ireland, as Chair.

With three countries now having a MediCinema organisation, the UK Board and Executive team will work through the coming years to ensure that the three MediCinema capabilities of the UK, Italy and Ireland are aligned and that the group entity reflects an integrated brand and corporate character with patient safety and quality service provision at the core of the three nations where MediCinema is offered.



Fundraising

Fundraising Strategy

2019 saw the origination and application of a fundraising strategy designed to build on the foundation of twenty-years' of successfully delivering the very best in cinematic experiences for patients and their families. The COVID crisis has, as with all charities and businesses, changed the immediate funding landscape. Our strategy has needed to be put on hold for 2020/21 with a new focus on reducing costs as far as possible and bridging the funding gap for the charity until the point at which we can rely on our previously sustainable income streams returning. We are incredibly grateful to all our partners who have shown understanding of the challenges of financially managing a charity during these uncertain times, including pivoting our services, fundraising and reallocating resources to best meet the needs of our patients and the organisation.



Trusts & Foundations

With our usual corporate income streams severely damaged by COVID, our focus for surviving the year and responding to the increased needs of our patients even more isolated by COVID than usual had, of necessity, to turn to existing and new grant funding.

A number of applications were submitted to new supporters, including one who has supported the charity's mission and services through CW+ charity at Chelsea and Westminster, but not directly to MediCinema before. The resulting grant from Julia and Hans Rausing Trust for £87,000 in support of core costs as part of its Charity Survival Fund has been integral to the charity's ability to survive this year and respond to the needs of the crisis for our patients.

We are incredibly grateful for the support and flexibility given by our existing trust and foundation funders this year, all of whom unrestricted their grants to ensure the charity could use the funds where needed in this crisis. Specific grants this year were received from Children in Need (the final 3 months of our three year grant), Masonic Charitable Foundation (£20,288; year one of two), Merchant Taylors (£8,302; year one of two), and Bernard Sunley Foundation (£5,000, with a further grant received in January 2021).

Corporate Partnerships

At the beginning of 2020, MediCinema was in dialogue with all eight major distributors having successfully developed the Nationwide Preview Screening (NPS) programme in 2019. Two NPS activities – *Dora and the Lost City of Gold* and *Shaun the Sheep: Farmageddon* had collectively generated over £167,000 and in addition helped to raise our profile in the industry. However due to the pandemic and closure of cinemas we were not able to progress this programme. This is an income line which was of particular significance to MediCinema and one that the organisation is keen to develop when the industry is ready again.

In August 2020 MediCinema was the charity partner for Disney's *PixarFest*, a month-long virtual family festival to celebrate the 25th anniversary of Disney and Pixar's *Toy Story*. To mark this occasion, Disney made a \$750,000 restricted donation to MediCinema's Capital Fund, to benefit future new builds in UK and Ireland.



Public cinemas were shut for much of the year. During the time they were open, our long-term partner Vue Cinemas continued to collect public donations on ticket sales and screened our advert with Simon Pegg and patient Sienna.

MediCinema received employee support from the sector with fundraising events that brought in substantial income, notably from Sony and also from Paramount/Viacom and Hasbro/eOne who both match funded. Obviously Creative also fundraised for MediCinema alongside providing pro-bono support by designing the new Fundraising Pack.

During the summer of 2020 MediCinema was one of two charity partners for Secret Cinema's new Drive-In by Häagen-Dazs who jointly donated a portion of its profits from all ice-cream sales to us.

Hospital Partners

MediCinema continued to work to develop and maintain genuine and meaningful partnerships with its hospital partners. Throughout the year we have worked in close partnership with our hospital partners to examine the situation at each site and to take their clinical expertise about our services remaining open. This includes looking at adjusting our procedures to be COVID-19-safe on reopening for socially distanced or personal screenings only, and in terms of alternative service provision -such as bedside screens and activity packs - when the cinemas have been closed. Our funding arrangements with each have continued, linked to the costs of service provision at each site.





Individual Giving & Philanthropy

Despite the economic challenges of the COVID-19 pandemic, public support for MediCinema, through donations, fundraising and challenge events has remained strong and an important ongoing stream of income for the charity.

The MediCinema advertisement that plays in cinemas had boosted awareness and led to a significant increase in individual giving in 2019. In 2020 with public cinemas closed the possibility of seeing the ad was greatly reduced. Though at the time of writing cinemas are scheduled to reopen in May, we don't know yet what the public uptake will be and therefore believe the effect will continue for some time. In spite of this, a number of patrons, high profile supporters and former beneficiaries and their families made appeals on the charity's behalf via social media. As a result, a number of partners, team members and individual supporters donated or successfully raised funds on behalf of the charity; supporting others to do the same continues to be a core part of our work on encouraging individual support for our mission.

While our means of developing philanthropic relationships was hampered this past year, we continue to look to develop relationships and our pathways for engagement with high net worth individuals, to support the immediate bridging need of the charity and in the longer term.

 I SAW THE BENEFIT OF MEDICINEMA, I
EXPERIENCED IT FIRST-HAND: THE WAY THE
SCREENINGS CAN IMPROVE PATIENTS' OVERALL
MENTAL WELL-BEING, REASSURE FAMILIES – AND
PROVIDE LONGER-TERM PATIENTS SOMETHING TO
LOOK FORWARD TO EACH WEEK 



KIRSTIE, PATIENT



Fundraising Practice and Regulation

We communicate with our individual supporters via email, mail and phone calls where appropriate. In previous years (pre-COVID-19) we have engaged them with invitations to patient screenings and events – these have not been able to take place this year. We recruit new supporters via an advert that would usually play in cinemas – and this year has been played in some drive-in cinemas – and through our various corporate partners who promote our cause to their customers. We utilise our social channels and general publicity of our work and initiatives to encourage people to become supporters through donating and when possible volunteering. Our main income streams are corporate, hospital partners, trusts and foundations and individual giving with a developing capability in philanthropy fundraising through developing mutually beneficial relationships with supporters. We also raise funds through community, challenge events, in memoriam and legacy activity.

MediCinema is registered with the Fundraising Regulator and seeks to adhere to its principles published in the Fundraising Code of Practice at all times when undertaking fundraising from the public. This includes being legal, open, honest, and respectful, and ensuring that no one who appears to be vulnerable is asked to commit to giving. We have a complaints policy published and received a total of 0 complaints, none of which were escalated to the Fundraising Regulator.

The impact of the COVID-19 pandemic

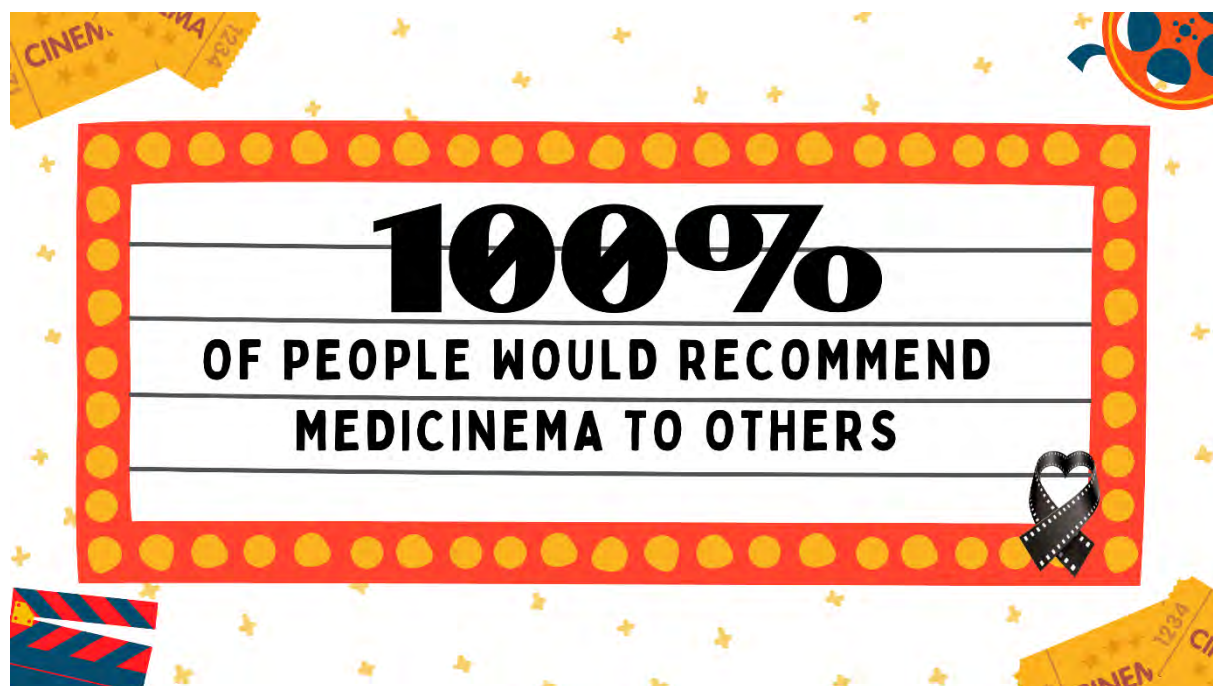
At the time of sign off for these accounts the COVID-19 global pandemic has had, and continues to have, a deep effect on our lives, healthcare and economies.

The key impacts for the charity are in operations where the cinema service has been mainly suspended, augmented instead with our pivoted bedside offerings, development of the new sites

which have mainly been put on hold while hospitals focus on the immediate and longer term needs of managing the pandemic, and fundraising.

One element of our funding relies on the generosity of the cinema-going public donating, and with no cinemas open this income stream has fallen drastically. With cinemas now not set to reopen until later in 2021, and with the unknown factor of how the public will respond to their reopening, this will have an ongoing impact on MediCinema's income. Robust financial planning and the stripping back of expenditure where possible has been undertaken and we go into 2021 focussing on individual giving, philanthropy and new sectors for corporate partnerships.

This will continue to be a challenging period to negotiate for the country as a whole and for us as a charity. But we are confident that MediCinema remains an impactful going concern with an important role to play in improving the quality of life for patients in NHS hospitals.



FINANCIAL REVIEW

	2020	2019
Income	£ 1,347,963*	£ 1,254,338
<i>Of which, Gifts in kind (head office rental cost, legal advice, license and logistics of films)</i>	£ 114,741	£ 165,321
Expenditure	£ 956,086	£ 1,142,405
Surplus / deficit	£ 391,877	£ 111,933
Total fixed assets	£628,204 (at 31 December 2020)	£719,511 (at 31 December 2019)
Overall assets	£1,687,651	£1,346,545

* 2020 income includes a capital grant from Disney of £569,418 which is included in restricted funds as at 31 December 2020.

Investment powers and policy

Aside from retaining a prudent amount in reserves each year most of the charity's funds are to be spent in the short term so there are few funds for long term investment with the exception of those raised for new MediCinema installations. All funds are remitted to MediCinema head office and held in a Coutts deposit account.

Reserves policy and going concern

It is the policy of the charity that the level of free reserves (those not tied up in fixed assets and designated and restricted funds) should be maintained at a level equivalent to three months' expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. At 31 December 2020 free reserves totalled £227,987 (against 3 months' operating costs going into 2021 of £176,000). In light of the COVID-19 pandemic and the impact on the cinema industry, the trustees believe that it is prudent to hold the current level of reserves as 2021 is likely to be a challenging fundraising environment.

In 2018 the trustees designated funds to support the strategic development of new cinemas. This was released in 2019 to during the pandemic. As at 31 December 2020, £200,000 has been designated to support new cinema development.

The trustees have reviewed the circumstances of the charity, its fundraising, financial and cash flow plans, and consider that adequate resources continue to be available to fund the activities of the charity for the foreseeable future. Its cost base has been reviewed and, where possible without affecting service delivery, reduced. The trustees are of the view that the charity is a going concern.

Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on June 10 1996 and registered as a charity on September 23 1996. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed

under its Articles of Association. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Appointment of trustees

As an arts-in-health charity whose work focuses on a broad range of people, the directors seek to ensure that the trustee body is representative and includes members with the relevant skills. The Board consists of members from the film industries as well as members of the medical community.

Trustee induction and training

New Trustees are similarly familiarised with MediCinema and its work and also provided with an induction pack including copies of the main charity documents, latest accounts, strategy document outlining future plans and objectives and a copy of the Commission's guide 'The Essential Trustee'.

Trustees, already familiar with the practical work of the charity, are encouraged to visit the original MediCinema at St Thomas' Hospital from time to time and other MediCinemas as they open.

Organisation

The trustees meet four times a year and are responsible for the strategic direction and policy of the charity, a scheme of delegation is in place and day-to-day management rests with the Chief Executive who is responsible for ensuring that the charity delivers the services specified. During the COVID pandemic, the trustees met once a month from March to December 2020, to ensure oversight and engagement within such a fast moving environment. This has been reduced to once every two months from the start of 2021, and will return to quarterly when appropriate to do so.

Related parties

None of our trustees receive remuneration or other benefit from their work with the charity. Kevin Styles is Group MD of Vue Entertainment, which supported the charity through customer donations on Vue tickets.

Pay policy for senior staff

The Directors consider the Board of Directors, who are the charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give their time freely and no trustees received remuneration in the year. No trustees received payment for expenses in the year.

The pay of senior staff is reviewed annually and against responsibilities, duties and performance as well as the financial position of the charity. In view of the nature of the charity, the Directors benchmark against pay levels in other charities of a similar nature, scope, size and ambition. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting for any additional responsibilities. If recruitment has proven difficult in the recent past a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.



Risk management

The trustees have reviewed the major risks to which the charity is exposed. A risk register has been established which is updated annually. Where appropriate, systems or procedures have been established to mitigate the risks across the key areas of Operations, Fundraising, Infrastructure and Roll-Out and these are periodically reviewed to ensure that they continue to meet the needs of the charity.

The main immediate risks presented to the charity relates to the impact and potential impact of the COVID-19 pandemic.

The primary risk is financial, given the reduction in funding anticipated. Costs have been immediately reduced as far as possible, the cinema staff furloughed, and the fundraising plan has been refocused.

Secondary risk is related to the safety of patients, volunteers and staff, and the trustees are confident that measures in place and approaches related to the temporary closure of cinemas and the moving of all office staff to working from home, as well as advice shared, mitigate these risks and have provided the protection required for our people. The charity continues to work with all its hospital and healthcare partners on the safe face to face service delivery in our MediCinemas, with staff offered vaccines as per the policies for frontline workers in the respective Trust, bi-weekly testing of staff undertaken, the suspension of volunteers on site, and revised policies and procedures for socially distanced screenings, when appropriate.

A further risk is to our patients themselves in terms of the loss of service, and the charity has worked incredibly hard with all its partners to establish a free bedside service to patients through this time. This is augmented where possible by activities and entertainment, especially through our activity packs and Moments that Matter programme in partnership with Disney. In 2021, given the feedback on the ongoing benefit to patients and staff of our new bedside services, we are working to extend these to ongoing services to be delivered alongside our cinema provision.

As the charity continues to extend its reach outside of UK borders through other organisations, the risks of this have been reviewed and considered. The legal structures and association of MediCinema Ireland is set up to mitigate any risks to the charity, brand, reputation and patient safety; and the work begun in 2021 to foster a closer working relationship with MediCinema Italy is being undertaken with a view to ensure the same.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of MediCinema for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with application law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application resources. In preparing the 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;
- make judgements and estimates that are reasonable and prudent;
- state whether application 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 23 June 2021 and signed on their behalf by



By order of the board of trustees on
P Massara

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICINEMA

Opinion

We have audited the financial statements of MediCinema (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, 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 FRS 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 charitable company's affairs as at 31 December 2020 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
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 MediCinema'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 themselves. 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.

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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the Board of Trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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.



Joanna Pittman (Senior statutory auditor)
5 July 2021
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

MediCinema

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	504,102	843,505	1,347,607	707,337	469,575	1,176,912
Charitable activities							
Other trading activities	3	-	-	-	25,800	-	25,800
Investments	4	356	-	356	854	-	854
Other		-	-	-	-	-	-
Total income		504,458	843,505	1,347,963	733,991	469,575	1,203,566
Expenditure on:							
Raising funds	5	146,658	-	146,658	253,493	-	253,493
Charitable activities							
Operation of Cinemas	5	425,515	383,913	809,428	326,751	562,160	888,911
Other		-	-	-	-	-	-
Total expenditure		572,173	383,913	956,086	580,244	562,160	1,142,404
Net income / (expenditure) for the year	6	(67,715)	459,592	391,877	153,747	(92,585)	61,162
Transfers between funds		(2,053)	2,053	-	(4,880)	4,880	-
Net movement in funds		(69,768)	461,645	391,877	148,867	(87,705)	61,162
Reconciliation of funds:							
Total funds brought forward		497,755	798,019	1,295,774	348,888	885,724	1,234,612
Total funds carried forward		427,987	1,259,664	1,687,651	497,755	798,019	1,295,774

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16a to the financial statements.

MediCinema

Balance sheet

Company no. 3210199

As at 31 December 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	11		<u>628,204</u>		<u>719,511</u>
			628,204		719,511
Current assets:					
Debtors	12	98,338		242,670	
Cash at bank and in hand		<u>1,048,473</u>		<u>398,909</u>	
		1,146,811		641,579	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>(87,364)</u>		<u>(65,316)</u>	
Net current assets			<u>1,059,447</u>		<u>576,263</u>
Total net assets			<u><u>1,687,651</u></u>		<u><u>1,295,774</u></u>
The funds of the charity:					
Restricted income funds	16a		1,259,664		798,019
Unrestricted income funds:					
Designated funds		200,000		-	
General funds		<u>227,987</u>		<u>497,755</u>	
Total unrestricted funds			<u>427,987</u>		<u>497,755</u>
Total charity funds			<u><u>1,687,651</u></u>		<u><u>1,295,774</u></u>

Approved by the trustees on 23 June 2021 and signed on their behalf by



Paul Massara
Chair

MediCinema

Statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		391,877		61,162	
Depreciation charges		93,360		99,620	
Dividends, interest and rent from investments		(356)		(854)	
(Increase)/decrease in debtors		144,332		(139,202)	
Increase/(decrease) in creditors		22,048		(37,603)	
			651,261		(16,877)
Net cash (used in) / provided by operating activities					
Cash flows from investing activities:					
Dividends, interest and rents from investments		356		854	
Purchase of fixed assets		(2,053)		(4,880)	
			(1,697)		(4,026)
Net cash used in investing activities					
			649,564		(20,903)
Change in cash and cash equivalents in the year					
Cash and cash equivalents at the beginning of the year			398,909		419,812
Cash and cash equivalents at the end of the year	a		1,048,473		398,909

Analysis of cash and cash equivalents and of net debt

	At 1 January 2020 £	Cash flows £	Other non- cash changes £	At 31 December 2020 £
Cash at bank and in hand	398,909	649,564		1,048,473
a Total cash and cash equivalents	398,909	649,564		1,048,473

1 Accounting policies

a) Statutory information

MediCinema is a charitable company limited by guarantee and is incorporated in United Kingdom.

The registered office address is Conybeare House, Guy's Hospital, London, SE1 9RT.

b) Basis of preparation

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 (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

On 17th August 2020 MediCinema Ireland was registered as an Irish company. MediCinema is the sole member for this company. MediCinema Ireland is in the process of registering as a charity and no transactions took place during 2020, therefore, consolidated accounts have not been prepared.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of running the cinemas and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

- | | |
|------------------------|--------|
| ● Operation of cinemas | 72.34% |
| ● Fundraising | 22.47% |
| ● Governance costs | 5.19% |

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- | | |
|------------------------|--------|
| ● Operation of cinemas | 76.30% |
| ● Fundraising | 23.70% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Cinema installations 25 years
- Fixtures and fittings 4 or 10 years
- Equipment 5 years

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Pensions

Pension contributions are made by the company in respect of employees' individual personal money purchase pension schemes. The assets of the fund are held separately from those of the charitable company which has no liability under the scheme other than for the payment of contributions.

2 Income from donations and legacies

	Unrestricted	Restricted	2020 Total	Unrestricted	Restricted	2019 Total
	£	£	£	£	£	£
Individual Donations and Gift Aid	130,560	3,511	134,071	144,200	25,986	170,186
Corporate Donations	205,831	571,022	776,853	553,257	47,167	600,424
Grants	167,711	154,231	321,942	9,880	231,101	240,981
Gifts in kind	-	114,741	114,741	-	165,321	165,321
	<u>504,102</u>	<u>843,505</u>	<u>1,347,607</u>	<u>707,337</u>	<u>469,575</u>	<u>1,176,912</u>

Gifts in kind represent legal services, office rental and film delivery costs.

3 Income from other trading activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Fundraising events	-	-	-	25,800	-	25,800
	-	-	-	25,800	-	25,800

4 Income from investments

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Interest receivable	356	-	356	854	-	854
	356	-	356	854	-	854

MediCinema

Notes to the financial statements

For the year ended 31 December 2020

5a Analysis of expenditure (current year)

	Charitable activities				2020	2019
	Raising funds	Running cinemas	Governance costs	Support costs	Total	Total
	£	£	£	£	£	£
Staff costs (Note 7)	109,422	352,278	25,291	26,160	513,151	509,585
Nurses cost	-	38,254	-	-	38,254	123,644
Direct cinema costs	-	85,988	-	-	85,988	41,759
Fundraising costs	11,338	-	-	-	11,338	95,217
Communication costs	-	41,431	-	-	41,431	39,613
Finance	-	-	-	20,443	20,443	21,613
IT	-	-	-	12,511	12,511	3,346
General office	-	-	-	16,289	16,289	34,286
Governance	-	-	8,580	-	8,580	8,400
Depreciation	-	93,360	-	-	93,360	99,620
Gifts in kind	-	114,741	-	-	114,741	165,321
	120,760	726,052	33,871	75,403	956,086	1,142,404
Support costs	16,942	54,545	3,916	(75,403)	-	-
Governance costs	8,956	28,831	(37,787)	-	-	-
Total expenditure 2020	146,658	809,428	-	-	956,086	
Total expenditure 2019	253,493	888,911	-	-		1,142,404

MediCinema

Notes to the financial statements

For the year ended 31 December 2020

5b Analysis of expenditure (prior year)

	Charitable activities				2019 Total £
	Raising funds £	Running cinemas £	Governance costs £	Support costs £	
Staff costs (Note 7)	125,696	332,716	25,909	25,264	509,585
Nurses cost	-	123,644	-	-	123,644
Direct cinema costs	-	41,759	-	-	41,759
Fundraising costs	95,217	-	-	-	95,217
Communication costs	-	39,613	-	-	39,613
Finance	-	-	-	21,613	21,613
IT	-	-	-	3,346	3,346
General office	-	-	-	34,286	34,286
Governance	-	-	8,400	-	8,400
Depreciation	-	99,620	-	-	99,620
Gifts in kind	-	165,321	-	-	165,321
	<u>220,913</u>	<u>802,673</u>	<u>34,309</u>	<u>84,509</u>	<u>1,142,404</u>
Support costs	21,933	58,056	4,520	(84,509)	-
Governance costs	10,647	28,182	(38,829)	-	-
Total expenditure 2019	<u>253,493</u>	<u>888,911</u>	<u>-</u>	<u>-</u>	<u>1,142,404</u>

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	93,360	99,620
Auditor's remuneration (excluding VAT):		
Audit	7,150	7,000
Other services	3,200	-
	<u>93,360</u>	<u>99,620</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	458,809	453,951
Social security costs	41,282	43,120
Employer pension contributions	13,060	12,514
	<u>513,151</u>	<u>509,585</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
£60,000 – £69,999	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £252,914 (2019: £259,097).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 13 (2019: 14).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2020 No.	2019 No.
Raising funds	2.0	3.0
Operation of Cinemas	11.0	11.0
	<u>13.0</u>	<u>14.0</u>

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Notes to the financial statements

For the year ended 31 December 2020

9 Related party transactions

MediCinema is delighted to have received donations totalling £51,522 (2019: £328,599) from Vue Entertainment Limited. Kevin Styles, a trustee and Managing Director of Vue International, provided his advice and support to develop this partnership.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

Cost	Cinema installations £	Fixtures and fittings £	Equipment £	Total £
At the start of the year	1,032,779	359,760	330,612	1,723,151
Additions in year	–	–	2,053	2,053
Disposals in year	(229,425)	(18,543)	(84,691)	(332,659)
At the end of the year	803,354	341,217	247,974	1,392,545
Depreciation				
At the start of the year	436,519	275,860	291,261	1,003,640
Charge for the year	39,821	33,111	20,428	93,360
Disposals in year	(229,425)	(18,543)	(84,691)	(332,659)
At the end of the year	246,915	290,428	226,998	764,341
Net book value				
At the end of the year	556,439	50,789	20,976	628,204
At the start of the year	596,260	83,900	39,351	719,511

All of the above assets are used for charitable purposes.

12 Debtors

	2020 £	2019 £
Trade debtors	46,127	78,630
Prepayments and accrued income	51,608	164,040
Other debtors	603	–
	98,338	242,670

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	24,894	20,488
Taxation and social security	10,330	12,675
Other creditors	2,441	2,699
Accruals and deferred income	49,699	29,454
	87,364	65,316

14 Deferred income

Deferred income comprises amounts received in 2018 relating to 2019

	2020 £	2019 £
Balance at the beginning of the year	–	51,000
Amount released to income in the year	–	(51,000)
Amount deferred in the year	–	–
	<hr/>	<hr/>
Balance at the end of the year	–	–
	<hr/> <hr/>	<hr/> <hr/>

15a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	–	628,204	628,204
Net current assets	227,987	200,000	631,460	1,059,447
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at 31 December 2020	227,987	200,000	1,259,664	1,687,651
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

15b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	–	719,511	719,511
Net current assets	497,755	–	78,508	576,263
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at 31 December 2019	497,755	–	798,019	1,295,774
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16a Movements in funds (current year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Royal Victoria Infirmary, Newcastle	7,393	26,822	(26,352)	-	7,863
Chelsea and Westminster Hospital	2,045	44,893	(46,938)	-	-
Southern General Hospital Glasgow	14,298	15,654	(29,952)	-	-
Serennu Children's Centre	-	6,568	(6,568)	-	-
St Thomas's Hospital	9,772	33,086	(25,522)	-	17,336
Guy's Hospital	10,000	32,323	(25,480)	-	16,843
Capital fund	35,000	569,418	(15,000)	-	589,418
Gifts in kind	-	114,741	(114,741)	-	-
Fixed Assets	719,511	-	(93,360)	2,053	628,204
Total restricted funds	798,019	843,505	(383,913)	2,053	1,259,664
Designated funds:					
Strategic Development	-	-	-	200,000	200,000
Total designated funds	-	-	-	200,000	200,000
General funds	497,755	504,458	(572,173)	(202,053)	227,987
Total unrestricted funds	497,755	504,458	(572,173)	(2,053)	427,987
Total funds	1,295,774	1,347,963	(956,086)	-	1,687,651

The narrative to explain the purpose of each fund is given at the foot of the note below.

16b Movements in funds (prior year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 January 2020 £
Restricted funds:					
Royal Victoria Infirmary, Newcastle	4,211	20,834	(17,652)	–	7,393
Chelsea and Westminster Hospital	4,139	73,894	(75,988)	–	2,045
Southern General Hospital Glasgow	26,530	49,422	(61,654)	–	14,298
Serennu Children's Centre	–	14,312	(14,312)	–	–
St Thomas's Hospital	–	55,687	(45,915)	–	9,772
Guy's Hospital	–	55,105	(45,105)	–	10,000
Strategic grant	36,593	–	(36,593)	–	–
Capital fund	–	35,000	–	–	35,000
Gifts in kind	–	165,321	(165,321)	–	–
Fixed Assets	814,251	–	(99,620)	4,880	719,511
Total restricted funds	885,724	469,575	(562,160)	4,880	798,019
Unrestricted funds:					
Designated funds:					
Strategic Development	120,792	–	–	(120,792)	–
Total designated funds	120,792	–	–	(120,792)	–
General funds	228,096	733,992	(580,245)	115,912	497,755
Total unrestricted funds	348,888	733,992	(580,245)	(4,880)	497,755
Total funds	1,234,612	1,203,567	(1,142,405)	–	1,295,774

Purposes of restricted funds

The restricted funds relate to grants and income and expenditure for the operational cost of each MediCinema.

Grants and income received to contribute towards the running costs of the MediCinema at Royal Infirmary Hospital, Newcastle:

	2020 £	2019 £
Children in Need	4,280	12,909
Rothley Trust	–	1,500
Masonic Charitable Foundation	20,288	–
Hadrian Trust	–	2,000
Other small grants and individual donations	2,254	4,424
	26,822	20,833

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Purposes of restricted funds (continued)

Grants and income received to contribute towards the running costs of the CW+ MediCinema at Chelsea and Westminster Hospital:

	2020 £	2019 £
CW+	42,595	55,958
Children in Need	2,045	12,319
Saturday Hospital Fund	-	5,000
Other small grants and individual donations	253	617
	<u>44,893</u>	<u>73,894</u>

Grants and income received to contribute towards the running costs of the MediCinema at Southern General, Glasgow:

	2020 £	2019 £
Glasgow Children's Hospital Charity	12,813	27,238
Merchant House of Glasgow	-	2,500
Schuh	-	2,500
Kilpatrick Fraser Charitable Trust	-	2,845
Other small grants and individual donations	2,841	14,339
	<u>15,654</u>	<u>49,422</u>

Grants and income received to contribute towards the running costs of the Serennu Childrens' Centre:

	2020 £	2019 £
Sparkle	6,568	14,312
	<u>6,568</u>	<u>14,312</u>

Grants and income received to contribute towards the running costs of the MediCinema at St Thomas's Hospital:

	2020 £	2019 £
Guy's and St Thomas's Charity	32,071	45,105
Other small grants and individual donations	1,015	10,582
	<u>33,086</u>	<u>55,687</u>

Purposes of restricted funds (continued)

Grants and income received to contribute towards the running costs of the MediCinema at Guy's Hospital:

	2020 £	2019 £
Guy's and St Thomas's Charity	32,071	45,105
Real D	-	10,000
Other small grants and individual donations	252	-
	<u>32,323</u>	<u>55,105</u>

The capital fund is income to fund the development of future MediCinemas.

Purposes of designated funds

In 2018 the Trustees designated funds to be used for the strategic development of new cinema sites. This was released in 2019 as a result of the COVID 19 pandemic but reinstated in 2020.

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.



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