Charity registration number 01157934

Company registration number 08725788 (England and Wales)

THE PAIGNTON PICTURE HOUSE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

THE PAIGNTON PICTURE HOUSE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms I Butler	
	Ms J Langraf	
	Ms C V Horrocks	
	Mr J M Carnell	(Appointed 7 January 2025)
	Ms C Vincent-Smith	(Appointed 16 December 2025)
Charity number	01157934	
Company number	08725788	
Principal address	Torbay Cinema (known as The Paignton Picture House) 2 Torbay Road Paignton Devon TQ4 6AF	
Registered office	Wessex House Teign Road Newton Abbot Devon TQ12 4AA	
Auditor	Darnells Audit Limited Quay House Quay Road Newton Abbot Devon TQ12 2BU	
Solicitors	Scott Richards Newfoundland House 4 Regent Street Teignmouth TQ14 8SL	

THE PAIGNTON PICTURE HOUSE TRUST

CONTENTS

	Page
Trustees' report	1 - 5
Independent auditor's report	6 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 23

THE PAIGNTON PICTURE HOUSE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees present their report and financial statements for the year ended 31 December 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (published in October 2019).

Objectives and activities

The objectives of the trust are specifically restricted to the following:

To preserve for the benefit of the people of Paignton, Devon and the Nation, the historical, architectural and constructional heritage that may exist in and around the Paignton Picture House, Torbay Road, Paignton, Devon in buildings (including any structure or erection, and any part of a building as so defined) of particular beauty or historical, architectural or constructional interest.

The aim of the trust is to restore the Paignton Picture House to preserve this heritage asset for future generations and to benefit the local community by reopening as a cinema and community arts centre. Paignton Picture House is a Grade II* listed building dating back to 1914. It is of great historical importance, being one of the most complete surviving examples of an early cinema. It also has strong distinctive cultural links with the writer Agatha Christie, who visited regularly whilst she stayed at nearby Greenway House.

Prior to being acquired by the trust, the cinema had been and boarded up since it closed in 1999. It was physically deteriorating and at risk of complete loss; such was its vulnerability that it had been placed on Historic England's Heritage at Risk Register long before the trust purchased the building.

The trust relies on grants and donations to cover its operating costs, and to fund the restoration and redevelopment of the Paignton Picture House. Currently the cinema is closed to the general public. The trustees are working with the architects and consultants to develop a robust plan to restore and redevelop this historic building into a functioning cinema and community arts venue.

Achievements and performance

Significant activities and achievements against objectives

Phase I of the project was completed in 2025. This covered:

- repairs to concrete load- bearing beams all over the building;
- removal of asbestos; and
- stripping back the walls in the main auditorium and carrying out dry rot treatment.

The additional funding obtained from Torbay Council, along with their commitment to underwrite the predicted overall project shortfall up to £1.6 million enabled work to start on Phase II of the project in early January 2025, which involved:

- putting sound insulation on the walls of the auditorium (they are only 1 skin of brick thick);
- raising the floor of the cinema – the cinema is built on reclaimed salt marsh, and at very high tide there is a risk of water seeping under the floor;
- moving the back wall of the cinema forward to create a large space for the community hub & café on the ground floor;
- building a frame for the new screen in front of the original screen to preserve the latter;
- moving internal walls to create larger rooms for meeting rooms on the first & second floors;
- building a new staircase to the second floor on the station side of the building, to increase space for the meeting rooms on that floor;
- strengthening the main roof to enable it to support the new flat roof section for a lift extension; and
- installing ventilation and heating systems.

This work is currently still on going, but delays caused by site discoveries and design development in accordance with specialist input regarding fire separation and acoustics, along with conservation approval stages and submissions for listed building consent, mean that the planned opening has had to be put back from autumn 2026 to late 2026 or early 2027.

How the activities of the trust deliver public benefit:
The trustees confirm that they have paid due regard to the Charity Commission's general guidance on public benefit under the Charities Act 2011. In particular, they consider how planned activities will contribute to the aims and objectives of the trust and are satisfied that all activities continue to be related to its purpose as set out in the governing document.

The trust exists to restore and preserve the important and unique heritage within the Paignton Picture House and to deliver benefit to the local community through film, arts and cultural activities as well as wider activities such as volunteering, education and training opportunities and provision of community spaces.

Paignton is in the top 10% of deprived areas in the UK's Index of Multiple Deprivation and Torbay is the most deprived upper-tier Southwest local authority. It is a "Priority Place" in the Government's Levelling Up programme. This project is a pivotal element in the local strategic plan to revive and regenerate the area. The trustees fully appreciate the key role that the Paignton Picture House can play in delivering wide ranging public benefit and this is central in the trust's capital, operational and artist strategic planning. The trust aims to celebrate the building's rich heritage, reimagining it not just as a cinema but as a cultural hub that contributes to positive social change.

Financial review
During the year the trust was awarded a grant of £672,246 by Historic England. In addition, Torbay Council have agreed to underwrite any overall project shortfall up to £1.6 million. In 2024, the trust received additional funding of £1.5 million from the Future High Streets fund administered by Torbay Council, together with other grants totalling £441,007.

Included in expenditure on raising funds of £16,710 (2024: £70,151) is £8,873 (2024: £40,618) paid to fundraising consultants.

The trust's expenditure included building and restoration/conservation costs, professional and consultancy fees and other costs totalling £2,546,031 (2024: £898,558) which have been capitalised as additions to freehold property (see note 9 to the financial statements).

Other expenditure on charitable activities amounted to £67,750 (2024: £47,863. The increase is mainly the result of increased insurance costs as the building is restored and fitted out.

The trust's net income for the year amounted to £640,017(2024: £1,845,711). The total funds available at 31 December 2025 are £6,426,165 (2024: £5,786,148), compromising Unrestricted funds of £491,040 (2024: £505,149) and Restricted funds of £5,935,125 (2024: £5,280,999) representing the unspent balances of grants awarded and the restricted funding of the building refurbishment costs capitalised under freehold property.

Cash at bank and in hand at 31 December 2025 was £430,447 (2024: £263,210).

The trustees regard the financial position of the charity as satisfactory

Reserves policy
It is the policy of the trust that unrestricted, free reserves which have not been designated for a specific use should be maintained at a level equivalent to at least six months' unrestricted expenditure (currently in the region of £34,000). 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 trust's current activities while consideration is given to ways in which additional funds may be raised.

At 31 December 2025 the trust had a surplus on free reserves of £2,078,918 (2024: £3,894,932) of which £1,951,976 (2024: £3,593,881) are restricted funds. This represents the accumulation of funds to cover planned expenditure on the restoration project and a small proportion for the early cultural programme.

The remaining £126,942 (2024: £391,051) balance of unrestricted funds is above the level of the free reserves policy, however the trustees intend to use this to support the capital project.

Principal funding sources

The principal sources of funding are government grants administered by Torbay Council, together with a commitment from Torbay Council to underwrite the forecast project shortfall (see Principal risks and uncertainties below).

Principal risks and uncertainties

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The building has been subjected to years of dilapidation and was in a very poor condition. The principal risk is that unforeseen problems and rising costs mean that the final cost of works exceeds the quotes and the contingency reserves. The trustees are managing these risks by employing specialist consultants to manage the project and carry out surveys to identify any issues in advance of the work being carried out, and hire contractors with experience of restoring listed, heritage property. The trust's principal operational uncertainties include global economic factors, including the war in the Middle East, creating increased prices for materials and uncertainty of supply, which provide challenges for entities carrying out building projects and make long-term forecasting difficult.

The trust's main operational risk concerns obtaining sufficient funding to meet the forecast shortfall for the full capital project, within the timescales required by the spend deadlines for the Government grants secured. The trustees have secured additional funding of £0.67 million from Historic England, together with a commitment from Torbay Council to underwrite the project shortfall up to a maximum of £1.6 million. They have also engaged a specialist consultant to develop a diverse fundraising plan to reduce the forecast shortfall, currently estimated to be in the region of £0.75 million, by seeking grants from trusts/foundations alongside public fundraising.

Plans for future periods

Work is continuing on Phase II in 2026, with the cinema and community café/hub now scheduled to open in late 2026 or early 2027.

The trustees are looking into the possibility of setting up a wholly-owned trading subsidiary to run the cinema and community café/hub on behalf of the trust, with all profits being passed up to it.

Structure, governance and management

The Paignton Picture House Trust was incorporated on 9 October 2013 and set up by an Order of the Charity Commissioners on 22 July 2014. The trust is a company limited by guarantee and a registered charity with the number 01157934 (England and Wales).

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr P N Hawthorne	(Resigned 26 February 2025)
Ms I Butler	
Mr J S Brandon	(Resigned 30 January 2025)
Ms J Langraf	
Ms C V Horrocks	
Mr J M Carnell	(Appointed 7 January 2025)
Ms C Vincent-Smith	(Appointed 16 December 2025)

Recruitment and appointment of trustees
The Board of Trustees currently has five members. The board has been discussing the possibility of recruiting new trustees for their experience, skills and knowledge. New trustees may be sought by open advertisement or through dialogues with other institutions with similar objects.

Related parties
All trustees give their time voluntarily and receive no benefits from the trust. Any expenses reclaimed by the trustees from the trust are set out in the notes to the accounts.

None of the trustees has any beneficial interest in the trust.

During the year the trust employed the spouse of one of the trustees as a project manager to oversee the renovation work. The spouse is a qualified professional, and the fees charged are at a market rate. The trustees managed this process as part of their Conflicts of Interest records and policy, and the role ceased in February 2025.

Statement of trustees' responsibilities
The trustees, who are also the directors of The Paignton Picture House Trust for the purpose of company law, are responsible for preparing the Trustees' 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 trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;

- 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; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

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

Auditor
In accordance with the company's articles, a resolution proposing that Darnells Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Ms I Butler
Trustee

30 August 2026

THE PAIGNTON PICTURE HOUSE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PAIGNTON PICTURE HOUSE TRUST

Opinion

We have audited the financial statements of The Paignton Picture House Trust (the 'trust') for the year ended 31 December 2025 which comprise the statement of financial activities, the balance sheet, the 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 charitable company's affairs as at 31 December 2025 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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the trust'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 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose 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 trust'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

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 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, misrepresentation or through collusion.

However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the charitable company and management.

The laws and regulations identified as being of significance in the context of the charitable company are:

- Planning permission and listed building consent;
- Health & Safety legislation and regulations;
- Compliance with the Charity Act 2011 and the Companies Act 2006.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Reviewing compliance with planning regulations and listed building consent.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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.

Sean Murphy BA FCA (Senior Statutory Auditor)
for and on behalf of Darnells Audit Limited 28 September 2026
Statutory Auditor

Quay House
Newton Abbot
Devon
TQ12 2BU

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:							
Donations and legacies	**2**	44,113	675,246	719,359	283,199	1,666,007	1,949,206
Investments		5,118	-	5,118	14,519	-	14,519
Total income		49,231	675,246	724,477	297,718	1,666,007	1,963,725
Expenditure on:							
Raising funds	**3**	3,637	13,073	16,710	9,442	60,709	70,151
Charitable activities	**4**	59,703	8,047	67,750	27,763	20,100	47,863
Total expenditure		63,340	21,120	84,460	37,205	80,809	118,014
Net income/(expenditure)		(14,109)	654,126	640,017	260,513	1,585,198	1,845,711
Transfers between funds		-	-	-	117,479	(117,479)	-
Net movement in funds		(14,109)	654,126	640,017	377,992	1,467,719	1,845,711
Reconciliation of funds:							
Fund balances at 1 January 2025		505,149	5,280,999	5,786,148	127,157	3,813,280	3,940,437
Fund balances at 31 December 2025		491,040	5,935,125	6,426,165	505,149	5,280,999	5,786,148

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PAIGNTON PICTURE HOUSE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	**9**		4,347,247		1,801,216
Current assets					
Debtors falling due after one year	**11**	-		1,276,585	
Debtors falling due within one year	**11**	3,104,561		2,534,219	
Cash at bank and in hand		430,447		263,210	
		3,535,008		4,074,014	
Creditors: amounts falling due within one year	**12**	(1,456,090)		(89,082)	
Net current assets			2,078,918		3,984,932
Net assets			6,426,165		5,786,148
Income funds					
Restricted funds	**13**		5,935,125		5,280,999
Unrestricted funds			491,040		505,149
			6,426,165		5,786,148

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 30 August 2026

Ms I Butler
Trustee

Ms J Langraf
Trustee

Company registration number 08725788

THE PAIGNTON PICTURE HOUSE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash generated from operations	**19**		2,708,150		758,075
Investing activities					
Purchase of tangible fixed assets		(2,546,031)		(898,558)	
Interest received		5,118		14,519	
Net cash used in investing activities			(2,540,913)		(884,039)
Net increase/(decrease) in cash and cash equivalents			167,237		(125,964)
Cash and cash equivalents at beginning of year			263,210		389,174
Cash and cash equivalents at end of year			430,447		263,210

1 Accounting policies

Charity information

The Paignton Picture House Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Wessex House, Teign Road, Newton Abbot, Devon, TQ12 4AA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "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)" (published in October 2019). The trust is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to complete the capital restoration project and to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

The trust receives grants from government and other sources to fund its core activities of restoring and preserving The Paignton Picture House. Income from government and other grants is recognised at fair value when the trust has entitlement to the funds after any performance conditions attached to the grants have been met. If entitlement is not met then these amounts are deferred. Grants received are measured at the undiscounted amount receivable on the basis that any discount would not be material.

Income from trading activities represents the value of tickets sold for tours to the extent that there is a right to consideration and is recorded at the fair value of the consideration received.

1 Accounting policies **(Continued)**

1.5 Resources expended

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 on charitable activities includes the costs of renovating the cinema, and other activities undertaken to further the objectives of the trust and their associated support costs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

No depreciation is provided in respect of freehold buildings because the restoration of the Paignton Picture House is still ongoing, and it has not yet been developed into a functioning cinema.

An impairment review of the land and buildings will be undertaken on the completion of the restoration project, once all costs have been attributed and recorded and an external valuation has been obtained on the completed building.

1.7 Financial instruments

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

2 Income from donations and legacies

	Unrestricted funds 2025	Restricted funds 2025	Total 2025	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£	£	£	£
Donations and gifts	3,113	-	3,113	8,199	-	8,199
Grants for core activities	41,000	675,246	716,246	275,000	1,666,007	1,941,007
	44,113	675,246	719,359	283,199	1,666,007	1,949,206

2 Income from donations and legacies (Continued)

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Grants for core activities						
DLUHC Future High Street Fund	-	-	-	-	1,500,000	1,500,000
Historic England	-	675,246	675,246	-	-	-
The Rosalind Hicks Charitable Trust	40,000	-	40,000	-	-	-
Garfield Weston Foundation	-	-	-	250,000	-	250,000
Colwinston Charitable Trust	-	-	-	-	150,000	150,000
The Pilgrim Trust	-	-	-	-	30,000	30,000
The Swire Charitable Trust	-	-	-	25,000	-	25,000
National Lottery - Reaching Communities Fund	-	-	-	-	19,992	19,992
The Sylvia Waddilove Foundation	-	-	-	-	3,000	3,000
Other	1,000	-	1,000	-	(36,985)	(36,985)
	41,000	675,246	716,246	275,000	1,666,007	1,941,007

Other grants in 2025 above represents an unrestricted grant of £1,000 from The Benefact Group.

The movement in Other grants of £36,985 in 2024 above represents funding withdrawn by grant providers, previously recognised as income, as a result of delays in completing work on the project causing deadlines for drawing down the grants to be missed.

3 Raising funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Fundraising and publicity				
Fundraising agents	-	8,873	8,873	40,618
Advertising and marketing	3,637	4,200	7,837	29,533
Fundraising and publicity	3,637	13,073	16,710	70,151
	3,637	13,073	16,710	70,151

3 Raising funds **(Continued)**

For the year ended 31 December 2024			
Fundraising and publicity	9,442	60,709	70,151

4 Expenditure on charitable activities

	Preservation of Paignton Picture House 2025 £	Preservation of Paignton Picture House 2024 £
Direct costs		
Repair and renovation costs	603	4,959
Insurance	31,732	12,202
Light and heat	3,200	4,395
Rates	1,976	1,557
Computer costs	726	301
Telephone and internet	439	119
Rent	13,000	5,888
Legal and professional fees	35	35
Travelling costs	526	-
Sundry expenses	163	66
	52,400	29,522
Share of support and governance costs (see note 5)		
Support	750	740
Governance	14,600	17,601
	67,750	47,863
Analysis by fund		
Unrestricted funds	59,703	27,763
Restricted funds	8,047	20,100
	67,750	47,863

Governance costs represent audit and accountancy fees - see note 5 to the financial statements.

5 Support costs allocated to activities

	2025	2024
	£	£
Bank charges	750	740
Governance costs	14,600	17,601
	15,350	18,341
Analysed between:		
Preservation of Paignton Picture House	15,350	18,341

	2025	2024
Governance costs comprise:	£	£
Audit fees	6,500	6,975
Accountancy	8,100	10,626
	14,600	17,601

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year except as disclosed under Related party transactions - see note 17 to the financial statements.

During the year expenses of £116 (2024: £904) were reimbursed to trustees, their spouses or other close family members.

7 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

8 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

9 Tangible fixed assets

	Land and buildings
	£
Cost	
At 1 January 2025 and 31 December 2025	1,801,216
Additions	2,546,031
Carrying amount	
At 31 December 2024 and 31 December 2025	4,347,247

Freehold land and buildings with a carrying amount of £1,801,216 (2024: £1,801,216) have been pledged to secure a guarantee given by Torbay Council to underwrite the restoration project shortfall up to a maximum of £1.6 million. The trust is not permitted to pledge these assets as security for other borrowings or to sell them to another entity.

The carrying value of the land and buildings above represents the acquisition cost of the property and the costs of the ongoing refurbishment and restoration work.

In the opinion of the trustees, the fair value of the land and buildings is at least equal to their carrying value above.

10 Financial instruments

	2025	2024
	£	£
Carrying amount of financial assets		
Measured at undiscounted amount receivable:		
Trade and other debtors	3,064,561	3,810,804
Carrying amount of financial liabilities		
Measured at undiscounted amount payable:		
Trade and other creditors	(166,705)	(83,332)

11 Debtors

	2025	2024
Amounts falling due within one year:	£	£
Other debtors	49,957	34,634
Grants receivable	3,054,604	2,499,585
	3,104,561	2,534,219

	2025	2024
Amounts falling due after more than one year:	£	£
Grants receivable	-	1,276,585
Total debtors	3,104,561	3,810,804

12 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	166,705	83,332
Other creditors	1,170,000	-
Accruals and deferred income	119,385	5,750
	1,456,090	89,082

Other creditors comprise an advance by Torbay Council of the undrawn grant from The Arts Council England, secured upon the freehold property (see note 9 to the financial statements),

13 Restricted funds

The restricted funds of the charity comprise:

- the restricted part of refurbishment costs capitalised under Tangible fixed assets; and
- the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2025	Incoming resources	Resources expended (see note below)	Transfers	At 31 December 2025
	£	£	£	£	£
Historic England - Repair grant	-	675,246	(1,350)	-	673,896
Torbay Council - Future High Street grant	2,687,736	-	(12,677)	-	2,675,059
Arts Council England - Cultural Development Fund grant	2,403,170	-	-	-	2,403,170
The Colwinston Charitable Trust	150,000	-	-	-	150,000
Reaching Communities - National Lottery	7,093	-	(7,093)	-	-
The Pilgrim Trust	30,000	-	-	-	30,000
The Sylvia Waddilove Foundation	3,000	-	-	-	3,000
	5,280,999	675,246	(21,120)	-	5,935,125

13 Restricted funds **(Continued)**

Previous year:	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
Architectural Heritage project development grants	62,174	(11,485)	-	(50,689)	-
Architectural Heritage transformational project grant grants	22,489	-	-	(22,489)	-
Historic England repair grant	40,301	-	-	(40,301)	-
Torbay Council - Future High Street grant	1,255,646	1,500,000	(67,910)	-	2,687,736
School for Social Entrepreneurs	10,000	(6,000)	-	(4,000)	-
Arts Council England - Cultural Development Fund grant	2,422,670	(19,500)	-	-	2,403,170
The Colwinston Charitable Trust	-	150,000	-	-	150,000
Reaching Communities - National Lottery	-	19,992	(12,899)	-	7,093
The Pilgrim Trust	-	30,000	-	-	30,000
The Sylvia Waddilove Foundation	-	3,000	-	-	3,000
	3,813,280	1,666,007	80,809	(117,479)	5,280,999

The restricted funds held at 31 December 2025 are:

- Historic England - repair grant for heritage at risk;
- Torbay Council - Future High Street grant - for Phase I and Phase II of the restoration project;
- Arts Council England: Cultural Development Fund grant - funding for Phase II of the restoration project, to bring the building back into full use as a cinema, cultural and community hub;
- The Colwinston Charitable Trust - for the restoration of the cinema only;
- National Lottery Reaching Communities fund - for the running costs of an office located near to the cinema whilst the building work is ongoing;
- The Pilgrim Trust - for repairs and restoration of the cornices;
- The Sylvia Waddilove Foundation - for the preservation of buildings of architectural or historical significance.

The undrawn balances on restricted funds were reduced in 2024 as follows:

- The Architectural Heritage project development grant was reduced by £11,485 following the closure of the grant and the expiry of the period for its drawdown;
- The School for Social Entrepreneurs restricted fund was reduced by £6,000 as the project was not completed in time to qualify for the full amount of the grant;
- The grant from the Arts Council England - Cultural Development Fund was reduced by £19,500 to agree to the actual amount available to the trust.

The fund transfers totalling £117,479 in 2024 above represent expenditure wrongly allocated to Unrestricted funds in previous years, which should correctly have been allocated to Restricted funds - see note 14 to the financial statements. The trustees have confirmed with the grant providers involved that the grants have in fact been fully spent.

14 Unrestricted funds

The unrestricted funds of the trust comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2025	Incoming resources	Resources expended	Transfers	At 31 December 2025
	£	£	£	£	£
General funds	505,149	49,231	(63,340)	-	491,040

Previous year:	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
General funds	127,157	297,718	(37,205)	117,479	505,149

The fund transfers totalling £117,479 in 2024 above represent expenditure wrongly allocated to Unrestricted funds in previous years, which should correctly have been allocated to Restricted funds - see note 13 to the financial statements.

15 Analysis of net assets between funds

	Unrestricted funds 2025	Restricted funds 2025	Total 2025
	£	£	£
At 31 December 2025:			
Tangible assets	364,098	3,983,149	4,347,247
Current assets/(liabilities)	126,942	1,951,976	2,078,918
	491,040	5,935,125	6,426,165

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
At 31 December 2024:			
Tangible assets	114,098	1,687,118	1,801,216
Current assets/(liabilities)	391,051	3,593,881	3,984,932
	505,149	5,280,999	5,786,148

16 Operating lease commitments

Lessee

At the reporting end date the trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	10,000	12,000
Between two and five years	-	18,000
	10,000	30,000

17 Related party transactions

Transactions with related parties

During the year the trust entered into the following transactions with related parties:

	Purchase of services	
	2025 £	2024 £
Trustees & close family	2,934	45,195
	2,934	45,195

The related party transactions above represent payments to the spouse of a trustee, who was engaged as the project coordinator on normal commercial terms. This arrangement ceased in January 2025.

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2025		Amounts owed by related parties 2024	
	Balance £	Net £	Balance £	Net £
Trustees & close family	-	-	666	666
	-	-	666	666

The above represents an invoice for a personal expense of a trustee inadvertently paid by the trust. The trustee repaid the balance immediately following the discovery of the error.

18 Analysis of changes in net funds

The trust had no material debt during the year.

19	Cash generated from operations	2025 £	2024 £
	Surplus for the year	640,017	1,845,711
	Adjustments for:		
	Investment income recognised in statement of financial activities	(5,118)	(14,519)
	Movements in working capital:		
	Decrease/(increase) in debtors	706,243	(932,791)
	Increase/(decrease) in creditors	1,367,008	(140,326)
	Cash generated from operations	2,708,150	758,075