

REPORT OF THE TRUSTEES/DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006
FOR
THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

TUESDAY



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COMPANIES HOUSE

Connor Warin Limited
Chartered Accountants
Registered Auditors
Trinity House
Foxes Parade
Waltham Abbey
Essex EN9 1PH

THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

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for the Year Ended 31 March 2006

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THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

COMPANY INFORMATION
for the Year Ended 31 March 2006

TRUSTEES/DIRECTORS: E Battson
C Bowler
F Byrne
A Cawdell
L Davies
S Horsfield
A Michaelides
A Munden
S Proctor
K Tucker
A Whittaker

SECRETARY: A Cawdell

REGISTERED OFFICE: 107 Kingsland High Street
London
E8 2PB

REGISTERED NUMBER: 1409066 (England and Wales)

**REGISTERED CHARITY
NUMBER:** 277415

AUDITORS: Connor Warin Limited
Chartered Accountants
Registered Auditors
Trinity House
Foxes Parade
Waltham Abbey
Essex EN9 1PH

THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES/DIRECTORS
for the Year Ended 31 March 2006

The trustees/directors present their report with the financial statements of the company for the year ended 31 March 2006.

REVIEW OF THE YEAR

The Rio Cinema is a registered charity incorporated as a Company Limited by Guarantee. Its membership comprises a cross-section of local people who, in turn, annually elect a Board of Directors.

The Rio is an independent cinema with a unique policy of community access and local involvement. The cinema is open 364 days of the year and presents approximately 1,300 screenings annually incorporating: main feature films, programmes for children and the elderly, special events, festivals and independent films. The only significant public building in Dalston, the Rio provides not only a focal point for the area, but also convenient and economical access to cinema for a wide range of local people. In recent years, the Rio has also developed a wide range of educational initiatives for children and young people.

The Rio's wide-ranging and varied programme reached out to its diverse local audience in a mix of mainstream and independent films, rep shows, special one-off screenings and film festivals. The Rio provided one of the principal venues for the Raindance East Film Festival in April 2005 and for the Rio's own 13th London Turkish Film Festival which took place in March 2006.

The Rio endeavours to continuously increase and diversify its audience. Funding support from the London Borough of Hackney's Neighbourhood Renewal Fund contributed to the salary of the Rio's new Audience Development Officer and enabled the Rio to provide seventeen free screenings for schools in the period October to March. A London Borough of Hackney Voluntary Sector small grant enabled the Rio to offer free admission for older people to the monthly Classic Matinee. The Parents & Babies Club which enables parents with babies to visit the cinema regularly continued to be very popular. Hackney NRF funding also supported the Rio's Turkish and East End Film Festivals (April 2006).

The financial year from April 2005 to March 2006 saw 73,034 paying admissions at the Rio, an 11.2% increase on the previous year's 63,008 admissions. Admissions for the first half of the current financial year are 7.3% up on last year and further improvement is anticipated during the second half when a consistent supply of strong films will be available.

The income and expenditure account shows a deficit of £21,459 compared to a deficit of £37,160 in 2004/05. The slight improvement in our fortunes meant that the Rio was able to award a 6% pay increase to all staff (the first increase for over six years).

The Rio's Business Plan includes many measures to be put in place to increase admissions and develop new sources of income and the new Audience Development Officer has played a key role in securing funding support from new sources for our education and outreach initiatives. It is anticipated that the state of the art digital projector, shortly to be installed courtesy of UK Film Council funding, will provide the Rio with new income generation opportunities as well widening the range of films that can be shown.

RESERVES AND RISK POLICIES

The reserves policy is to retain sufficient funds to enable the company to continue its activities in the short term, or to wind down the company in a timely manner should sources of income cease. The trustees/directors, are reviewing the various risks which the company might be exposed to and will put in place suitable policies to deal with these.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an educational charity for the benefit of the general public in the London Borough of Hackney and surrounding areas, involving the presentation of films, the production of plays and general encouragement of the Arts.

THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES/DIRECTORS
for the Year Ended 31 March 2006

TRUSTEES/DIRECTORS

The trustees/directors during the year under review were:

D Altheer	resigned	08.05.06
E Battson	appointed	27.11.04
C Bowler	appointed	27.11.04
F Byrne	appointed	27.11.04
A Cawdell		
L Davies		
J Grant	resigned	31.10.05
S Horsfield		
S Maxwell	resigned	25.01.06
A Michaelides	appointed	04.09.06
A Munden		
S Proctor		
M Quadakkers	resigned	25.04.05
S Singh-Marlowe	resigned	25.09.05
K Tucker		
A Whittaker	appointed	25.09.05

STATEMENT OF TRUSTEES'/DIRECTORS' RESPONSIBILITIES

Company law requires the trustees/directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the trustees/directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees/directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Connor Warin Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


A Cawdell – SECRETARY

Dated:

29th October 2006

THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

We have audited the financial statements of The Rio Centre (Dalston) Limited (limited by guarantee) for the year ended 31 March 2006 on pages five to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page three the company's trustees/directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Trustees/Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees/directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Trustees/Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees/directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going Concern

Although the company decreased its net current liabilities during the year the going concern problem continues into 2006/7.

Qualified opinion arising from limitation in audit scope

As indicated by Note 5 to the financial statements, a revaluation of the company's leasehold property took place on 31 March 2004. The valuation does not take account of any revision of the rent as stated in Note 10. As the valuation was made by the trustees/directors and not by professional Valuers, we are unable to determine the accuracy of the valuation.

Subject to this valuation and to the going concern position, in our opinion the financial statements give a true and fair view of the company's affairs as at 31 March 2006 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Connor Warin Limited
Connor Warin Limited
Chartered Accountants
Registered Auditors
Trinity House
Foxes Parade
Waltham Abbey
Essex EN9 1PH

Dated: 01/10/06

THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2006

	Unrestricted General	Restricted Funds		Total 2006	Total 2005
	£	Revaluation £	Refurbishment £	£	£
INCOMING RESOURCES					
Incoming resources from charitable activities	391,625	-	-	391,625	351,307
Voluntary Income					
Grants and donations	76,923	-	-	76,923	80,512
Investment income	391	-	-	391	406
	<u>468,939</u>	<u>-</u>	<u>-</u>	<u>468,939</u>	<u>432,225</u>
RESOURCES EXPENDED					
Charitable Activities	458,537	11,500	17,361	487,398	465,571
Governance costs	3,000	-	-	3,000	2,814
	<u>461,537</u>	<u>11,500</u>	<u>17,361</u>	<u>490,398</u>	<u>468,385</u>
NET (OUTGOING) RESOURCES	7,402	(11,500)	(17,361)	(21,459)	(37,160)
TRANSFERS BETWEEN FUNDS	1,080	(1,080)	-	-	-
FUNDS BROUGHT FORWARD	<u>(16,722)</u>	<u>369,080</u>	<u>64,305</u>	<u>416,663</u>	<u>453,823</u>
FUNDS CARRIED FORWARD	<u>(£8,240)</u>	<u>£356,500</u>	<u>£46,944</u>	<u>£395,204</u>	<u>£416,663</u>

The notes form part of these financial statements

THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET
31 March 2006

		<u>31.3.06</u>		<u>31.3.05</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		421,228		447,931
CURRENT ASSETS:					
Stocks		1,649		1,649	
Debtors	6	36,483		33,876	
Cash at bank and in hand		<u>44,419</u>		<u>6,951</u>	
		82,551		42,476	
CREDITORS: Amounts falling due within one year	7	<u>108,576</u>		<u>73,744</u>	
NET CURRENT LIABILITIES:			(26,025)		(31,268)
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£395,203</u>		<u>£416,663</u>
FUNDS:					
Restricted					
Revaluation reserve	8		356,500		369,080
Refurbishment Fund	8		<u>46,944</u>		<u>64,305</u>
			403,444		433,385
Unrestricted					
General fund			<u>(8,240)</u>		<u>(16,722)</u>
			<u>£395,204</u>		<u>£416,663</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:



.....
A Cawdell - DIRECTOR/TRUSTEE



.....
K Tucker - DIRECTOR/TRUSTEE

Approved by the Board on 29.1.06

The notes form part of these financial statements

THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2006

1. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Going Concern

The accounts have been prepared on a going concern basis.

Turnover

Turnover comprises income from ticket sales, confectionery sales, magazine sales and film advertising, all exclusive of value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- over the term of the lease
Equipment	- 10% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Grants receivable

Grants are recognised in the same period as related expenditure.

2. **OPERATING LOSS**

The operating loss is stated after charging:

	31.3.06	31.3.05
	£	£
Depreciation - owned assets	30,566	30,178
Auditors' remuneration	<u>3,000</u>	<u>2,814</u>
Trustees'/Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

3. **TAXATION**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2006 nor for the year ended 31 March 2005.

As a registered charity (number 277415) the company has no liability to UK corporation tax.

THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2006

4. **GRANTS RECEIVABLE**

	31.03.06 £	31.03.05 £
Projects		
London Borough of Hackney NRF	19,000	30,000
London Borough of Hackney Voluntary Sector	5,000	-
Festivals		
Film London	8,000	10,000
London Borough of Hackney NRF	11,000	16,250
East London Moving Image Initiative	-	4,500
Revenue		
Europa Cinemas	<u>7,517</u>	<u>-</u>
	<u>£50,517</u>	<u>£60,750</u>

5. **TANGIBLE FIXED ASSETS**

	<u>Leasehold property</u> £	<u>Equipment</u> £	<u>Totals</u> £
COST OR VALUATION:			
At 1 April 2005	389,580	246,336	635,916
Additions	<u>-</u>	<u>3,863</u>	<u>3,863</u>
At 31 March 2006	<u>389,580</u>	<u>250,199</u>	<u>639,779</u>
DEPRECIATION:			
At 1 April 2005	21,580	166,405	187,985
Charge for year	<u>11,500</u>	<u>19,066</u>	<u>30,566</u>
At 31 March 2006	<u>33,080</u>	<u>185,471</u>	<u>218,551</u>
NET BOOK VALUE:			
At 31 March 2006	<u>356,500</u>	<u>64,728</u>	<u>421,228</u>
At 31 March 2005	<u>368,000</u>	<u>79,931</u>	<u>447,931</u>

If leasehold property had not been revalued it would have been included at the following historical cost:

	31.3.06 £	31.3.05 £
Cost	<u>9,000</u>	<u>9,000</u>

Leasehold property was valued at open market value on 31 March 2005 by the management committee on the basis of the annual rent due over the remaining period of the lease.

6. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.3.06 £	31.3.05 £
Trade debtors	12,381	20,782
Sundry debtors	950	875
Prepayments	<u>23,152</u>	<u>12,219</u>
	<u>36,483</u>	<u>33,876</u>

THE RIO CENTRE (DALSTON) LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2006

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.3.06	31.3.05
	£	£
Bank loans and overdrafts	5	5
Trade creditors	53,133	44,626
V.A.T.	13,731	6,566
PAYE tax & national insurance	2,729	-
Other Creditors	1,364	230
Accrued expenses	<u>37,614</u>	<u>22,317</u>
	<u>108,576</u>	<u>73,744</u>

8. RESTRICTED FUNDS

	31.3.06	31.3.05
	£	£
Revaluation Reserve	356,500	369,080
Refurbishment fund – received (less utilised)	<u>46,944</u>	<u>64,305</u>
	<u>403,444</u>	<u>433,385</u>

9. GUARANTEE STATUS

The company is limited by guarantee, which means that every member undertakes to contribute to the assets of the company in the event of a winding up, including any member up to one year after ceasing to be a member, such amount as may be required not exceeding one pound.