

REGISTERED COMPANY NUMBER: 01409066 (England and Wales)
REGISTERED CHARITY NUMBER: 277415

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
FOR
THE RIO CENTRE (DALSTON) LIMITED

Brindley Millen Ltd
Chartered Accountants and Statutory Auditors
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH



THE RIO CENTRE (DALSTON) LIMITED

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for the Year Ended 31 March 2020

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THE RIO CENTRE (DALSTON) LIMITED

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Rio is a registered charity incorporated as a Company Limited by Guarantee. The organisation's day-to-day activities are carried out by a staff team led by Executive Director Oliver Meek. The Rio offers no "zero hours" contracts.

The Charity's core activity is to run the Rio Cinema, an independent cinema with a unique policy of community access and local involvement. The cinema is traditionally open 364 days of the year (although it was not open 364 days in the year ended 30 March 2019 and will not be open 364 days in the year ended 30 March 2020, as discussed below), and its wide-ranging and varied programme typically presents approximately 1300 screenings annually incorporating: main feature films, programmes for children and the elderly, special events, festivals and independent films. The Rio provides a focal point for the area and also convenient and economical access to cinema for a wide range of Londoners and regularly offers discounted tickets both to the general public and targeted at specific groups.

THE RIO CENTRE (DALSTON) LIMITED

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2020**

OBJECTIVES AND ACTIVITIES

Recent Developments

Extraordinary General Meeting

In June 2020, members of the Rio Centre (Dalston) Limited (the "Rio") holding not less than 5% of the total voting rights of all members of the Rio entitled to vote at the Rio's general meetings pursuant to sections 168 and 303 of the Companies Act 2006 presented a request to the then-directors of the Rio to convene an extraordinary general meeting (the "EGM"). This was organised by a group called "Save the Rio". None of the Incoming Directors (as defined below) were directly associated with this group.

Pursuant to such request, the EGM was to consider, and if deemed appropriate, two ordinary resolutions to remove each of (i) Andrew Brooke, (ii) Caroline Bolam, (iii) Suzana Bottino Bovida, (iv) Paul Broughton, (v) Nicholas Ransley, (vi) Billy Reading and (vii) Merel Reinink (collectively, the "Outgoing Directors") from office and appoint each of (i) George Binette, (ii) Anna Clark, (iii) Fiona Johnston and (iv) Ranjit S. Ruprai (collectively, the "Incoming Directors") as directors of the Rio.

On 4 July 2020, each of the Outgoing Directors resigned as directors of the Rio and, by written resolution, appointed each of the Incoming Directors. Prior to their resignations, the Outgoing Directors made a statement, which included the following:

"The Rio cannot afford delays and urgently needs to focus on building and implementing a viable model for the future. As a board, we no longer feel able to effect such changes and for these reasons we feel we should now hand over to the trustees suggested by Save The Rio.

We wish the Rio well, and hope to see the cinema re-open soon and continue to provide a much-loved service to the local community."

Pursuant to the aforementioned request, the EGM was held on 9 August 2020. At the EGM, the members ratified (i) the removal of the Outcoming Directors and (ii) the appointment of each of the Incoming Directors. In addition, the following directors were appointed by the EGM: (i) Anthony Andrews; (ii) Teanne Andrews; (iii) Sarah Chorley; (iv) Rod Kirwan; and (v) Selina Robertson. Accordingly, the Rio presently has nine directors. The Outgoing Directors no longer have any office at the Rio. A subset of the Outgoing Directors met with the new Chair on 6 September 2020 to provide further handover information, thereby completing the transition of governance. The Board would like to thank them for this.

Separately from the events described above, three long-standing directors, Cindy Casciani, Charlie Phillips and Rosie Wolfenden, who served for years as the Deputy Chair and Company Secretary, resigned in early 2020. Cindy led the Board's recruitment efforts and played a key role in the RIOGeneration campaign, which came to a thoroughly successful conclusion in 2019. Charlie served as the Rio's Sustainability Director and, as such, had a hand in many of the "green" innovations that have been implemented at the Rio over recent years with the aim of a carbon neutral cinema. Rosie generously contributed her time and designs, from her shop, Tatty Devine, many of which are still available at the Rio's online shop. The Board would like to thank them all for their extraordinary contributions over the years, as well as their unrivalled community spirit.

Response to COVID-19

Pursuant to Government guidelines, the Rio closed on 17 March 2020 in response to the COVID-19 crisis. On 7 August 2020, the Rio re-opened to the public, albeit at a significantly reduced capacity. The Rio implemented a number of other measures to ensure social distancing, check filmgoers temperatures, provide hand sanitiser, etc. On 5 November 2020, the Rio closed a second time, in response to the Government's second wave of restrictions.

During each closure, the Rio has furloughed staff members, taking advantage of the Government's scheme. Thanks to the Rio's prudent fiscal reserves policy, as well as support of the members, the Rio has not made any members of staff redundant or imposed any staff pay cuts. It is important to the directors and the future of the Rio that the pain of these closures does not fall upon the Rio's hardworking and beloved staff.

The Rio is one of the few cinemas to come through this part of the COVID-19 crisis in a relatively strong financial position. This is due to the tireless efforts of the Rio's staff, who have found new income streams, such as the Rio Player, the Rio's online shop, sales of picture book "The Rio Tape/Slide Archive: Radical Community Photography in Hackney in the 80s", which had already sold out its first edition and finding other new and innovative income sources. More importantly, the financial support from members, which has come in any number of forms, has been critical to ensuring that the Rio is around for decades to come.

At this point, it is not clear when the Rio will re-open, but the Directors are committed to ensuring that the Rio does reopen. The Rio has survived 111 years, including two World Wars, the Spanish flu, the arrival of TV, satellite TV, video and a boom in streaming choices. With the continuing support of the Rio's members, patrons and fans, the directors believe that the Rio will survive the COVID-19 crisis, as well.

THE RIO CENTRE (DALSTON) LIMITED

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2020**

OBJECTIVES AND ACTIVITIES

Public benefit

The Directors have considered the Charity Commission guidance on public benefit and consider that the activities of the charity provide public benefit within the following charitable purposes:

THE ADVANCEMENT OF THE ARTS, CULTURE, HERITAGE OR SCIENCE

The Rio promotes an appreciation of the best of world cinema for the local community in the London Borough of Hackney and neighbouring boroughs. Through participation in film festivals showcasing work from around the world, the Rio demonstrates its commitment to providing local residents with as diverse a programme of high-quality cinema as possible.

THE ADVANCEMENT OF CITIZENSHIP OR COMMUNITY DEVELOPMENT

Cinema itself is a communal experience, an accessible art form that attracts a diverse and wide range of people. The Rio provides a home to film festivals that reflect the diversity of the local population, featuring films that may otherwise go unseen in the UK. These screenings provide an opportunity to learn about one another's cultures and heritage - aiding and developing community relations. The Rio also provides an outlet for local community organisations and charities to promote their causes, both through public screenings and our education programme.

THE ADVANCEMENT OF EDUCATION

The Rio Centre's extensive programme of schools screenings provides an invaluable adjunct to the class work of local schools, and is viewed by teachers as a significant educational resource. Filmmaking and animation workshops provide children with an introduction to the principles of filmmaking and animation.

THE RELIEF OF THOSE IN NEED, BY REASON OF YOUTH, AGE, ILL-HEALTH, DISABILITY, FINANCIAL HARDSHIP OR OTHER DISADVANTAGE

The Rio is determined to make film as accessible as possible to the local community, and therefore seeks to provide low cost access to the cinema for people on benefits and for children to facilitate the widest possible access to its services. The Rio's monthly Classic Matinée aims to reduce feelings of isolation for older people and enrich life of those in care, providing local older people with an opportunity to socialise, enjoy a film and also free tea and biscuits.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

2019-2020 saw not just the 40th anniversary of the Rio occupying the current cinema, but also its best year in terms of box office turnover in its history. This is due to a selective approach to choosing films that matches our audience as well as the flexibility provided by the second screen.

RIOGeneration

RIOGeneration came to an end in 2019, when the new Screen 2 bar was opened. An intimate and cosy space, it not only proved popular with patrons but also helped the Rio to generate increased food and beverage spend. RIOGeneration ultimately comprised of the construction of Screen 2, the reconstruction of the bar outside of Screen 1, internal structural improvements and changes, the refurbishments of certain washrooms and a total rethinking of the Rio's operations, as well, of course, as the second bar.

RIOGeneration may have come to an end, but the Directors and the Rio are exploring a number of new and exciting initiatives to continue to improve the cinema experience at the Rio and serve the next generations to come.

Community

Alongside our main cinema offering of the latest contemporary releases, with an independent skew, we have extended our ability to welcome community screenings, school screenings, film festivals and special events. These events have represented the range of our local community, representing the many different cultural groups on our doorstep, the LGBTQ+ community, our older audience, and campaigning groups. The second screen has continued to be transformative in allowing us to do this even more.

Marketing

We have continued to improve our marketing offering this year, led by Andrew Woodyatt and Tim Stevens in particular. They have developed unique designs for Rio publicity, including bespoke posters for individual films. Our engagement on social media is higher than most comparable independent cinemas, and they have worked hard on making the experience of a Rio cinema visit an 'event' experience where appropriate, including film-specific food and drink, live events, and one-off shows. Our audience is increasingly youthful and diverse and engaged with our ethics, and they like to be in close contact with us and see us as aligning with their values. We have also engaged with a local and national interest in our historical archive, and the Rio Archive Instagram account has attracted praise for unearthing Hackney's heritage of the 80s and 90s, and The Rio Cinema Archive.

FINANCIAL REVIEW

Financial position

The figures to March 2020 show a steady journey, with increased trading in cinema activities counteracting increased expenses related to operating costs and the final stage of RIOGeneration. Hires and grants will continue to be key areas to pursue as areas we can control. It is also intended to increase customer spend on food and drink, helped by the opening of the 2nd screen.

THE RIO CENTRE (DALSTON) LIMITED

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2020**

FINANCIAL REVIEW

Reserves policy

The trustees deem it prudent to hold three months running costs in current assets. This has fluctuated in the year and is an important focus for the following financial year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Key management remuneration

The charity carries out an annual pay review by the Executive Director and Executive Committee, to ensure that our pay levels are fair, competitive and an effective use of charitable funds. The Rio has an agreement with the trade union BECTU, with whom it negotiates yearly on pay, hours and holiday in respect of certain employees. The Rio aspires to become Living Wage employer.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01409066 (England and Wales)

Registered Charity number

277415

Registered office

107 Kingsland High Street
London
E8 2PB

Trustees

A Brooke (resigned 4.7.20)
C Phillips Interim Chair Mar-Oct 18 & Deputy Chair (resigned 22.1.20)
A R Collins (resigned 22.1.20)
C Casciani (resigned 13.5.20)
M Reinink (resigned 4.7.20)
J Culley (resigned 17.9.19)
M Alcock Chair from October 2018 (resigned 3.11.19)
N Ransley (appointed 26.6.19) (resigned 4.7.20)
G Binette
F Johnston
R S Ruprai
A Clark
A Andrews
T Andrews
C Bolam (appointed 15.4.20) (resigned 4.7.20)
S Boavida (appointed 15.4.20) (resigned 4.7.20)
P Broughton (appointed 13.5.20) (resigned 4.7.20)
S Chorley
R Kirwan
S Robertson

Company Secretary

P Lyons

Auditors

Brindley Millen Ltd
Chartered Accountants and Statutory Auditors
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH

THE RIO CENTRE (DALSTON) LIMITED

REPORT OF THE TRUSTEES
for the Year Ended 31 March 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Bristows LLP (until July 2020)
100 Victoria Embankment
London
EC4Y 0DH

Dechert LLP (from July 2020)
160 Queen Victoria Street
London
EC4V 4QQ

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Brindley Millen Ltd, were re-appointed at the Annual General Meeting held on Sunday 3rd November 2019.

Approved by order of the board of trustees on Mar 16, 2021 and signed on its behalf by:

Anna Clark

Anna Clark (Mar 16, 2021 12:19 GMT)

A Clark - Trustee

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

Opinion

We have audited the financial statements of The Rio Centre (Dalston) Limited (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 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 the provisions available for small entities, in the circumstances set out in the notes to the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

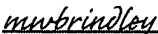
Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.


mwbrindley (Mar 17, 2021 09:58 GMT)

Maurice Brindley BSc FCA (Senior Statutory Auditor)
for and on behalf of Brindley Millen Ltd
Chartered Accountants and Statutory Auditors
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH

Date: **Mar 17, 2021**

THE RIO CENTRE (DALSTON) LIMITED**STATEMENT OF FINANCIAL ACTIVITIES**
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 March 2020

	Notes	Unrestricted funds £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	69,473	-	69,473	89,394
Charitable activities	4				
Cinema		897,530	-	897,530	795,587
Investment income	3	24	-	24	42
Other income		<u>4,511</u>	<u>-</u>	<u>4,511</u>	<u>-</u>
Total		971,538	-	971,538	885,023
EXPENDITURE ON					
Raising funds	5	343,906	-	343,906	309,042
Charitable activities	6				
Cinema		603,849	18,364	622,213	569,876
Total		947,755	18,364	966,119	878,918
NET INCOME/(EXPENDITURE)		23,783	(18,364)	5,419	6,105
RECONCILIATION OF FUNDS					
Total funds brought forward		99,074	263,905	362,979	356,874
TOTAL FUNDS CARRIED FORWARD		<u>122,857</u>	<u>245,541</u>	<u>368,398</u>	<u>362,979</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

THE RIO CENTRE (DALSTON) LIMITED (REGISTERED NUMBER: 01409066)**BALANCE SHEET****31 March 2020**

	Notes	Unrestricted funds £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total funds £
FIXED ASSETS					
Tangible assets	12	132,679	245,541	378,220	407,257
CURRENT ASSETS					
Stocks	13	11,025	-	11,025	14,658
Debtors	14	42,920	-	42,920	29,351
Cash at bank and in hand		<u>93,485</u>	<u>-</u>	<u>93,485</u>	<u>91,215</u>
		147,430	-	147,430	135,224
CREDITORS					
Amounts falling due within one year	15	(128,306)	-	(128,306)	(158,845)
		<u>19,124</u>	<u>-</u>	<u>19,124</u>	<u>(23,621)</u>
NET CURRENT ASSETS					
		151,803	245,541	397,344	383,636
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	16	(28,946)	-	(28,946)	(20,657)
		<u>122,857</u>	<u>245,541</u>	<u>368,398</u>	<u>362,979</u>
NET ASSETS					
FUNDS	18				
Unrestricted funds				122,857	99,074
Restricted funds				<u>245,541</u>	<u>263,905</u>
TOTAL FUNDS				<u>368,398</u>	<u>362,979</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on Mar 16, 2021 and were signed on its behalf by:

Anna Clark
Anna Clark (Mar 16, 2021 13:19 GMT)

.....
A Clark - Trustee

The notes form part of these financial statements

THE RIO CENTRE (DALSTON) LIMITED**CASH FLOW STATEMENT**
for the Year Ended 31 March 2020

	Notes	31.3.20 £	31.3.19 £
Cash flows from operating activities			
Cash generated from operations	1	22,115	81,268
Interest paid		<u>(2,356)</u>	<u>(2,005)</u>
Net cash provided by operating activities		<u>19,759</u>	<u>79,263</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(20,430)	(105,142)
Interest received		<u>24</u>	<u>42</u>
Net cash used in investing activities		<u>(20,406)</u>	<u>(105,100)</u>
 Cash flows from financing activities			
New loans in year		20,000	25,000
Loan repayments in year		<u>(17,083)</u>	<u>(14,813)</u>
Net cash provided by financing activities		<u>2,917</u>	<u>10,187</u>
Change in cash and cash equivalents in the reporting period		2,270	(15,650)
Cash and cash equivalents at the beginning of the reporting period		<u>91,215</u>	<u>106,865</u>
Cash and cash equivalents at the end of the reporting period		<u>93,485</u>	<u>91,215</u>

The notes form part of these financial statements

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.20	31.3.19
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	5,419	6,105
Adjustments for:		
Depreciation charges	49,468	49,441
Interest received	(24)	(42)
Interest paid	2,356	2,005
Decrease/(increase) in stocks	3,633	(7,406)
Increase in debtors	(13,570)	(10,849)
(Decrease)/increase in creditors	<u>(25,167)</u>	<u>42,014</u>
Net cash provided by operations	<u>22,115</u>	<u>81,268</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.19	Cash flow	At 31.3.20
	£	£	£
Net cash			
Cash at bank and in hand	<u>91,215</u>	<u>2,270</u>	<u>93,485</u>
	<u>91,215</u>	<u>2,270</u>	<u>93,485</u>
Debt			
Debts falling due within 1 year	(18,772)	5,372	(13,400)
Debts falling due after 1 year	<u>(20,657)</u>	<u>(8,289)</u>	<u>(28,946)</u>
	<u>(39,429)</u>	<u>(2,917)</u>	<u>(42,346)</u>
Total	<u>51,786</u>	<u>(647)</u>	<u>51,139</u>

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31 March 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements and assessment of going concern

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

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

The financial statements are presented in sterling (£).

Critical accounting judgements and key sources of estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

Useful economic life of tangible fixed assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from Ticket Sales, Bar & Confectionary is recognised on the receipt of the takings. Income from other activities is recognised on the date invoiced.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

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

Short leasehold	- at varying rates on cost
Fixtures and fittings	- 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. Cost is calculated using the first in, first out method.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash, current bank accounts and deposit bank accounts with no withdrawal limitations.

Creditors

Creditors are recognised where then charity has a present obligation resulting from a past event that will 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 are recognised at their settlement amount.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

1. ACCOUNTING POLICIES - continued

Fund accounting

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The accounts have been prepared on a going concern basis.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially settled at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. DONATIONS AND LEGACIES

	31.3.20	31.3.19
	£	£
Donations	11,285	31,806
Friends of Rio	32,050	29,213
Gift aid	3,441	-
Grants	19,064	11,404
Miscellaneous	3,633	16,971
	<u>69,473</u>	<u>89,394</u>

Grants received, included in the above, are as follows:

	31.3.20	31.3.19
	£	£
Film London	8,480	8,904
The Span Trust	-	2,500
The Energy Saving	10,584	-
	<u>19,064</u>	<u>11,404</u>

3. INVESTMENT INCOME

	31.3.20	31.3.19
	£	£
Deposit account interest	<u>24</u>	<u>42</u>

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

4. INCOME FROM CHARITABLE ACTIVITIES

		31.3.20	31.3.19
	Activity	£	£
Film ticket sales	Cinema	591,856	534,946
Bar, confectionery & misc sales	Cinema	209,875	164,379
Screen advertising	Cinema	30,108	24,656
Hire	Cinema	48,262	66,235
School screenings	Cinema	6,019	5,371
Expired Vouchers	Cinema	11,410	-
		<u>897,530</u>	<u>795,587</u>

5. RAISING FUNDS

Other trading activities

	31.3.20	31.3.19
	£	£
Purchases	<u>343,906</u>	<u>309,042</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Cinema	<u>600,723</u>	<u>21,490</u>	<u>622,213</u>

7. SUPPORT COSTS

	Finance	Governance costs	Totals
	£	£	£
Cinema	<u>12,088</u>	<u>9,402</u>	<u>21,490</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.20	31.3.19
	£	£
Auditors' remuneration	4,566	3,730
Depreciation - owned assets	49,467	49,442
Hire of plant and machinery	<u>3,871</u>	<u>-</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Key management remuneration

The trustee's consider the Key Management to consist of Executive Director, Assistant General Manager, Venue Manager, Marketing & Development Manager, Programmer, Finance Officer and Technical Manager.

During the year the Key Management received remuneration totalling £160,862 (2019: £132,604) as well as £2,855 in pension contributions (2019: £2,564)

THE RIO CENTRE (DALSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020****10. STAFF COSTS**

	31.3.20	31.3.19
	£	£
Wages and salaries	363,837	325,401
Social security costs	17,864	15,689
Other pension costs	8,665	5,908
	<u>390,366</u>	<u>346,998</u>

The average monthly number of employees during the year was as follows:

	31.3.20	31.3.19
All Staff	<u>27</u>	<u>35</u>

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	59,686	29,708	89,394
Charitable activities			
Cinema	795,587	-	795,587
Investment income	<u>42</u>	<u>-</u>	<u>42</u>
Total	855,315	29,708	885,023
 EXPENDITURE ON			
Raising funds	309,042	-	309,042
Charitable activities			
Cinema	551,512	18,364	569,876
Total	860,554	18,364	878,918
 NET INCOME/(EXPENDITURE)	(5,239)	11,344	6,105
 RECONCILIATION OF FUNDS			
Total funds brought forward	104,313	252,561	356,874
TOTAL FUNDS CARRIED FORWARD	<u>99,074</u>	<u>263,905</u>	<u>362,979</u>

THE RIO CENTRE (DALSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020****12. TANGIBLE FIXED ASSETS**

	Short leasehold £	Fixtures and fittings £	Totals £
COST			
At 1 April 2019	389,580	670,646	1,060,226
Additions	-	20,430	20,430
At 31 March 2020	<u>389,580</u>	<u>691,076</u>	<u>1,080,656</u>
DEPRECIATION			
At 1 April 2019	182,381	470,588	652,969
Charge for year	<u>11,400</u>	<u>38,067</u>	<u>49,467</u>
At 31 March 2020	<u>193,781</u>	<u>508,655</u>	<u>702,436</u>
NET BOOK VALUE			
At 31 March 2020	<u>195,799</u>	<u>182,421</u>	<u>378,220</u>
At 31 March 2019	<u>207,199</u>	<u>200,058</u>	<u>407,257</u>

If leasehold property has not been revalued it would have been included at its historical cost of £9,000.

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. On transition to FRS102 in the preparation of the financial statements the deemed cost option was applied in respect of leasehold property.

The Net Book Value of the assets are subject to an Impairment Review each year and written down if impairment has occurred.

The leasehold is depreciated at the rate of the annual rent. The lease ends in 2037.

Plant & Equipment items are initially included at cost and then depreciated as stated. The carrying values are reviewed at the year end for impairment if circumstances indicate that the fully carrying value may not be recoverable.

13. STOCKS

	31.3.20 £	31.3.19 £
Confectionery	<u>11,025</u>	<u>14,658</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20 £	31.3.19 £
Trade debtors	22,606	12,947
Sundry debtors	9,001	2,750
Prepayments	<u>11,313</u>	<u>13,654</u>
	<u>42,920</u>	<u>29,351</u>

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Bank loans and overdrafts (see note 17)	13,400	18,772
Trade creditors	63,992	88,430
Social security and other taxes	12,634	9,871
VAT	32,393	24,604
Other creditors	5,887	13,438
Accrued expenses	-	3,730
	<u>128,306</u>	<u>158,845</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.20	31.3.19
	£	£
Bank loans (see note 17)	<u>28,946</u>	<u>20,657</u>

17. LOANS

An analysis of the maturity of loans is given below:

	31.3.20	31.3.19
	£	£
Amounts falling due within one year on demand:		
Loans	<u>13,400</u>	<u>18,772</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>7,857</u>	<u>10,345</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>11,756</u>	<u>10,312</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	9,333	-

The Charities' loans are unsecured and have principal terms as follows:

Loan of £20,000 repayable over 10 years from October 2019 at nil interest

Loan of £25,000 repayable over 5 years from 2018 with interest at 5.71% above bank rate.

Loan of £35,000 repayable over 3 years from 2017 with interest at an average of 5.5% p.a. The term of this loan, which had a balance of £5,542 at 31 March 2020, was extended after the year end so that it is now due to finish in October 2020.

18. MOVEMENT IN FUNDS

	At 1.4.19	Net movement in funds	Transfers between funds	At 31.3.20
	£	£	£	£
Unrestricted funds				
General fund	(13,590)	36,887	(301)	22,996
RioGeneration	<u>112,664</u>	<u>(13,104)</u>	<u>301</u>	<u>99,861</u>
	99,074	23,783	-	122,857
Restricted funds				
Revaluation reserve	207,199	(11,400)	-	195,799
RioGeneration fund	<u>56,706</u>	<u>(6,964)</u>	-	<u>49,742</u>
	<u>263,905</u>	<u>(18,364)</u>	-	<u>245,541</u>
TOTAL FUNDS	<u>362,979</u>	<u>5,419</u>	-	<u>368,398</u>

THE RIO CENTRE (DALSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	971,538	(934,651)	36,887
RioGeneration	-	(13,104)	(13,104)
	971,538	(947,755)	23,783
Restricted funds			
Revaluation reserve	-	(11,400)	(11,400)
RioGeneration fund	-	(6,964)	(6,964)
	-	(18,364)	(18,364)
TOTAL FUNDS	<u>971,538</u>	<u>(966,119)</u>	<u>5,419</u>

Comparatives for movement in funds

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
Unrestricted funds				
General fund	59,095	7,838	(80,523)	(13,590)
RioGeneration	<u>45,218</u>	<u>(13,077)</u>	<u>80,523</u>	<u>112,664</u>
	104,313	(5,239)	-	99,074
Restricted funds				
Revaluation reserve	218,599	(11,400)	-	207,199
RioGeneration fund	<u>33,962</u>	<u>22,744</u>	-	<u>56,706</u>
	<u>252,561</u>	<u>11,344</u>	-	<u>263,905</u>
TOTAL FUNDS	<u>356,874</u>	<u>6,105</u>	-	<u>362,979</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	855,315	(847,477)	7,838
RioGeneration	-	(13,077)	(13,077)
	855,315	(860,554)	(5,239)
Restricted funds			
Revaluation reserve	-	(11,400)	(11,400)
RioGeneration fund	<u>29,708</u>	<u>(6,964)</u>	<u>22,744</u>
	<u>29,708</u>	<u>(18,364)</u>	<u>11,344</u>
TOTAL FUNDS	<u>885,023</u>	<u>(878,918)</u>	<u>6,105</u>

THE RIO CENTRE (DALSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020****18. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	59,095	44,725	(80,824)	22,996
RioGeneration	<u>45,218</u>	<u>(26,181)</u>	<u>80,824</u>	<u>99,861</u>
	104,313	18,544	-	122,857
Restricted funds				
Revaluation reserve	218,599	(22,800)	-	195,799
RioGeneration fund	<u>33,962</u>	<u>15,780</u>	<u>-</u>	<u>49,742</u>
	<u>252,561</u>	<u>(7,020)</u>	<u>-</u>	<u>245,541</u>
TOTAL FUNDS	<u>356,874</u>	<u>11,524</u>	<u>-</u>	<u>368,398</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,826,853	(1,782,128)	44,725
RioGeneration	<u>-</u>	<u>(26,181)</u>	<u>(26,181)</u>
	1,826,853	(1,808,309)	18,544
Restricted funds			
Revaluation reserve	-	(22,800)	(22,800)
RioGeneration fund	<u>29,708</u>	<u>(13,928)</u>	<u>15,780</u>
	<u>29,708</u>	<u>(36,728)</u>	<u>(7,020)</u>
TOTAL FUNDS	<u>1,856,561</u>	<u>(1,845,037)</u>	<u>11,524</u>

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.

20. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

21. 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 amounts as may be required not exceeding one pound.

22. COVID-19

The restrictions imposed on organisations following the COVID outbreak has affected the Charity in that the cinema site was closed for several months. However the Charity has successfully applied for grant funding, insurance claims and third party donations which should enable reopening to take place in 2021 resulting in a full schedule of events by the Autumn of that year.