

Charity number: SC042407
Company number: SC397947

Oban Phoenix Cinema
(A company limited by guarantee)

Directors' report and financial statements

for the year ended 31 March 2014



Oban Phoenix Cinema
(A company limited by guarantee)

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Oban Phoenix Cinema
(A company limited by guarantee)

Legal and administrative information

Charity number SC042407
Company registration number SC397947

Business address 140 George Street
Oban
Argyll & Bute
PA34 5NX
01631 562905

Registered office c/o DM MacKinnon Solicitors
Bank of Scotland Buildings
Station Road
Oban
PA34 4LN

Directors	Campbell Cameron (Chair)	
	Andrew Vennard	Resigned: 30 June 2013
	Louise Anne Glen-Lee	
	Bryan David Livingston	Resigned 1 November 2013
	Isla Margaret MacColl	Resigned 21 August 2013
	Ewen MacPherson	
	Anna Twigg	Resigned 24 September 2013
	James Heward	
	Colin MacNiven	
	Christine Roberts	
	Mike Story	Resigned 1 November 2013
Michelle McEwan	Resigned 26 May 2014	

Secretary	Steven Greener	Appointed 21 August 2013
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Accountants	R A Clement Associates 5 Argyll Square Oban PA34 4AZ
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Bankers	Royal Bank Of Scotland 36 St Andrew Square Edinburgh EH2 2YB
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Oban Phoenix Cinema
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Legal and administrative information

Solicitors

DM MacKinnon Solicitors
Bank of Scotland Buildings
Station Road
Oban
PA34 4LN

Oban Phoenix Cinema
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Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2014

The directors present their report and the financial statements for the year ended 31 March 2014. The directors, who are also trustees of Oban Phoenix Cinema for the purposes of charity law and who served during the year and up to the date of this report are set out on page 1 - 2.

Structure, governance and management

The company is currently managed by a board of 7 directors, all of whom are unpaid, which meets at least once every month. Day to day operation of the cinema is conducted by cinema employees with oversight from board members.

Risk policy

The directors have assessed the major risks to which the charity is exposed, and in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to these risks.

Reserves policy

The policy of the Trust is to aim to retain sufficient reserves to meet the cost of any regular commitments, as well as a contingency to enable it to continue to develop further projects.

Objectives and activities

The objective of the charity is to successfully operate a cinema to provide a leisure and entertainment service to the local community as well as providing an amenity for tourists in Oban.

Achievements and performance

Oban Phoenix Cinema has had a successful second year in terms of audience numbers, and continues to function despite a difficult financial climate. Financially, however, the cinema suffered a loss for the year on its general operations. Since the year end the board has undertaken an exercise to reduce costs and, in particular, has reduced wages costs significantly, while examining all other costs. The directors feel the cinema should achieve a surplus going forward with the emphasis on controlling costs.

The cinema continues to be in a strong position nationally and looks to beginning and sustaining a strong period of growth.

Board members have implemented a strategy of driving a goal of financial security and sustainability. While we recognise the importance of grant funding, the board wants to prove we can stand on our own two feet.

The board has divided itself into teams to look at various areas of the organisation and in future the finance and staffing will have a tight control of all spending within the cinema. Without this small team I have no doubt that the cinema would have found it almost impossible to survive.

We have undertaken two refurbishment programmes - the first of the heating system and the second of the second screen. I am pleased to report that this has started to deliver the results that the cinema requires.

During the year we continued to deploy the funds raised in employing staff and keeping the venue open. We could not run the cinema without the huge role that volunteers play both in assisting paid members of staff and in the ancillary jobs, such as the volunteer board and all tasks that are related to the cinema.

Throughout the year, our board has played an active role in helping guide the community charity and we remain committed to being in place for one further year.

We are also aware of our wider responsibilities in the communities where we work, as well as being conscious of our environmental impact and we remain committed to putting the work of the cinema at the heart of the community. That sometimes costs the community cinema more than we would like - but see it as an important part of our work.

The board and I believe that we are clear on our objectives, have the right strategy and team in place to achieve them and, as a result, are ideally positioned to take advantage of the strength of the west coast cinema audience.

Oban Phoenix Cinema
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Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2014

This report is true and accurate. Much work has been done to reconcile a number of accounts that had been unpaid from the first year of trading.

We look forward to the future of the cinema and welcoming new members to the board.

Plans for future periods

The future plan for the company is to continue to operate the cinema as a community owned cinema, and to continue to improve the facilities of the cinema. It would be the intention that any surplus funds from trading would be reinvested in the facilities of the building, together with the funds from donations, fund raising events, and grant applications.

Statement of directors' responsibilities

The directors (who are also trustees of Oban Phoenix Cinema under charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors 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 charitable company will continue in operation.

Oban Phoenix Cinema
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Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2014

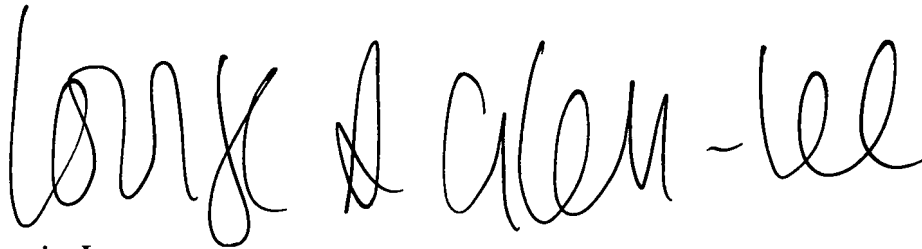
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the trust deed. 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.

Fiona McGlynn of R A Clement Associates was appointed as independent examiner and the directors recommend that Fiona McGlynn remains in office until further notice.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Board on ^{28/10/14} and signed on its behalf by
^

A handwritten signature in black ink, appearing to read 'Louise Lee', written in a cursive style.

Louise Lee
Director

Oban Phoenix Cinema
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Independent examiner's report to the directors on the unaudited financial statements of Oban Phoenix Cinema.

I report on the accounts for the year ended 31 March 2014 set out on pages 3 to 19.

This report is made to the charity's Trustees in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the charity's Trustees and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees, as a body, for my work or this report.

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act, and to state whether particular matters have come to my attention.


Basis of Independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Regulations
 - to prepare accounts which agree with the accounting records and comply with Regulation 8 of the 2006 Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Fiona McGlynn
Chartered Accountant
Independent examiner

28/03/14

Of R A Clement Associates
5 Argyll Square
Oban
Argyll
PA34 4AZ

Oban Phoenix Cinema
(A company limited by guarantee)

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

For the year ended 31 March 2014

		Unrestricted funds	Restricted funds	Year ended 31/03/14 Total	Period ended 31/03/13 Total
	Notes	£	£	£	£
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	1,686	90,372	92,058	102,428
Activities for generating funds	3	269,211	-	269,211	192,194
Investment income		8	-	8	11
Other incoming resources		-	-	-	250
Total incoming resources		270,905	90,372	361,277	294,883
Resources expended					
Costs of generating funds:					
Fundraising trading:					
cost of goods sold and other costs		-	-	-	145
Charitable activities	4	287,775	48,644	336,419	237,102
Governance costs	6	9,049	-	9,049	7,571
Total resources expended		296,824	48,644	345,468	244,818
Net incoming/(outgoing) resources before transfers		(25,919)	41,728	15,809	50,065
Transfer between funds		(10,131)	10,131	-	-
Net movement in funds/Net income/(expenditure) for the year		(36,050)	51,859	15,809	50,065
Total funds brought forward		14,088	171,345	185,433	135,368
Total funds carried forward		(21,962)	223,204	201,242	185,433

The notes on pages 10 to 19 form an integral part of these financial statements.

Oban Phoenix Cinema
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Balance sheet
as at 31 March 2014

SC397947

	Notes	31/03/14		31/03/13	
		£	£	£	£
Fixed assets					
Tangible assets	10		298,304		258,365
Current assets					
Stocks		2,511		3,258	
Debtors	11	29,904		78,906	
Cash at bank and in hand		7,666		20,145	
		<u>40,081</u>		<u>102,309</u>	
Creditors: amounts falling due within one year	12	<u>(62,828)</u>		<u>(95,541)</u>	
Net current (liabilities)/assets			<u>(22,747)</u>		<u>6,768</u>
Total assets less current liabilities			275,557		265,133
Creditors: amounts falling due after more than one year	13		<u>(74,315)</u>		<u>(79,700)</u>
Net assets			<u>201,242</u>		<u>185,433</u>
Funds	14				
Restricted funds			223,204		171,345
Unrestricted income funds			<u>(21,962)</u>		<u>14,088</u>
Total funds			<u>201,242</u>		<u>185,433</u>

The directors statements required by s475(2) and s475(3) are shown on the following page which forms part of the Balance Sheet.

The notes on pages 10 to 19 form an integral part of these financial statements.

Oban Phoenix Cinema
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Balance sheet (continued)

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**Directors' statements required by the Companies Act 2006
for the year ended 31 March 2014**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to section 476 of the Companies Act 2006 requesting that an audit be conducted for the year ended 31 March 2014.

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the year then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on ^{28/10/14} and signed on its behalf by



Campbell Cameron
Director

The notes on pages 10 to 19 form an integral part of these financial statements.

Oban Phoenix Cinema
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Notes to financial statements
for the year ended 31 March 2014

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding period.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from the cinema and concession stand is included in the year in which it is receivable.

Income from investments is included in the year in which it is receivable.

1.3. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the cinema and concession stand.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

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Notes to financial statements
for the year ended 31 March 2014

1.4. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over 25 years
Plant and machinery	-	15% Straight Line
Fixtures, fittings and equipment	-	25% Straight Line
Office equipment	-	25% Straight line

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

2. Voluntary income

	Unrestricted £	Restricted £	Year ended 31/03/14 £	Period ended 31/03/13 £
Donations	1,186	-	1,186	5,514
Seats Pledges	200	-	200	4,200
Crerar Hotels Grant	-	-	-	5,000
LEADER Grant	-	-	-	3,429
HIE - Refurbishment grant	-	-	-	12,871
HIE - Consultancy costs	-	-	-	1,500
SCVO grants	-	13,865	13,865	3,541
Comunn na Gaidhlig	-	-	-	3,863
Third sector	-	-	-	1,000
Sarah Troughton Trust	-	-	-	1,000
HIE - Digital projector	-	-	-	18,000
Creative Scotland - digital projector	-	7,832	7,832	33,010
Hugh Fraser Foundation - digital projector	-	-	-	5,000
Oban Common Good Fund - digital projector	-	-	-	4,500
Robertson Trust	-	6,150	6,150	-
SRUC - Comm food fund	-	4,500	4,500	-
Small screen project grants	-	36,662	36,662	-
Keep Scotland Beautiful	-	21,363	21,363	-
Dragons' Den	300	-	300	-
	<u>1,686</u>	<u>90,372</u>	<u>92,058</u>	<u>102,428</u>

Oban Phoenix Cinema
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Notes to financial statements
for the year ended 31 March 2014

3. Activities for generating funds

	Unrestricted funds	Year ended 31/03/14 Total	Period ended 31/03/13 Total
	£	£	£
Cinema Sales	197,516	197,516	136,930
Fundraising events	-	-	4,800
Memberships	-	-	44
Food & drink sales	61,847	61,847	38,824
Advertising sales	5,546	5,546	9,076
Venue hire	4,302	4,302	2,077
Schools	-	-	443
	<u>269,211</u>	<u>269,211</u>	<u>192,194</u>

4. Costs of charitable activities - by fund type

	Unrestricted funds	Restricted funds	Year ended 31/03/14 Total	Period ended 31/03/13 Total
	£	£	£	£
Oban Phoenix Cinema	287,775	48,644	336,419	237,102
	<u>287,775</u>	<u>48,644</u>	<u>336,419</u>	<u>237,102</u>

5. Costs of charitable activities - by activity

	Activities undertaken directly	Year ended 31/03/14 Total	Period ended 31/03/13 Total
	£	£	£
Oban Phoenix Cinema	336,419	336,419	237,102
	<u>336,419</u>	<u>336,419</u>	<u>237,102</u>

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Notes to financial statements
for the year ended 31 March 2014

6. Governance costs

	Unrestricted funds £	Year ended 31/03/14 Total £	Period ended 31/03/13 Total £
Bank & Loan Interest	1,336	1,336	429
Loan Charges	6,653	6,653	7,142
Bad debts	1,060	1,060	-
	<u>9,049</u>	<u>9,049</u>	<u>7,571</u>

7. Net incoming resources for the year

	Year ended 31/03/14 £	Period ended 31/03/13 £
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	<u>26,436</u>	<u>11,770</u>

Oban Phoenix Cinema
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Notes to financial statements
for the year ended 31 March 2014

8. Employees

Employment costs	Year ended 31/03/14 £	Year ended 31/03/14 £
Wages and salaries	<u>110,164</u>	<u>69,172</u>

No employee received emoluments of more than £60,000 (2013 : None).

Number of employees

The average monthly numbers of employees (excluding the directors) during the year, was as follows:

	Year ended 31/03/14 Number	Period ended 31/03/13 Number
Cinema staff	<u>10</u>	<u>9</u>
	<u>10</u>	<u>9</u>

No trustee received any remuneration, benefits in kind, or reimbursement of expenses during the year.

9. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Corporation Tax Act 2010 (CTA 2010). Accordingly, there is no taxation charge in these accounts.

Oban Phoenix Cinema
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Notes to financial statements
for the year ended 31 March 2014

10. Tangible fixed assets	Oban Phoenix Cinema £	Plant and machinery £	Fixtures, and fittings and equipment £	Office equipment £	Total £
Cost					
At 1 April 2013	162,096	69,016	43,062	2,229	276,403
Additions	-	51,633	14,330	412	66,375
At 31 March 2014	<u>162,096</u>	<u>120,649</u>	<u>57,392</u>	<u>2,641</u>	<u>342,778</u>
Depreciation					
At 1 April 2013	-	1,499	16,281	258	18,038
Charge for the year	-	11,431	14,345	660	26,436
At 31 March 2014	<u>-</u>	<u>12,930</u>	<u>30,626</u>	<u>918</u>	<u>44,474</u>
Net book values					
At 31 March 2014	<u>162,096</u>	<u>107,719</u>	<u>26,766</u>	<u>1,723</u>	<u>298,304</u>
At 31 March 2013	<u>162,096</u>	<u>67,517</u>	<u>26,781</u>	<u>1,971</u>	<u>258,365</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	31/03/14		31/03/13	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	<u>4,120</u>	<u>727</u>	<u>-</u>	<u>-</u>

11. Debtors

	31/03/14 £	31/03/13 £
Trade debtors	1,960	3,350
Other debtors	6,001	13,210
Prepayments and accrued income	21,943	62,346
	<u>29,904</u>	<u>78,906</u>

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Notes to financial statements
for the year ended 31 March 2014

12. Creditors: amounts falling due within one year

	31/03/14	31/03/13
	£	£
Bank overdraft	5,357	-
Social Investment Scotland	8,022	6,812
Net obligations under finance leases and hire purchase contracts	1,938	-
Trade creditors	44,103	87,219
Other taxes and social security	(258)	-
Other creditors	1,646	-
Accruals and deferred income	2,020	1,510
	<u>62,828</u>	<u>95,541</u>

SIS (Community Finance) Limited has a bond and floating charge, and standard security for all sums due or to become due over the whole undertaking, property and assets of the Oban Phoenix Cinema including uncalled capital. These securities have priority over the standard security held by The Royal Bank of Scotland for all sums due or to become due.

13. Creditors: amounts falling due after more than one year

	31/03/14	31/03/13
	£	£
Social Investment Scotland	71,083	79,700
Other creditors	3,232	-
	<u>74,315</u>	<u>79,700</u>

A loan was advanced by Social Investment Scotland for £90,000. This loan is repayable over a period of 10 years, at a fixed interest rate of 8%, with an interest only period of 12 months from the date of the draw down of the loan.

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Notes to financial statements
for the year ended 31 March 2014

14. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2014 as represented by:			
Tangible fixed assets	4,483	293,821	298,304
Current assets	26,236	8,488	34,724
Current liabilities	(49,449)	(8,022)	(57,471)
Long-term liabilities	(3,232)	(71,083)	(74,315)
	<u>(21,962)</u>	<u>223,204</u>	<u>201,242</u>

15. Unrestricted funds

	At 1 April 2013 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2014 £
General Funds	<u>14,088</u>	<u>270,905</u>	<u>(296,824)</u>	<u>(10,131)</u>	<u>(21,962)</u>

Oban Phoenix Cinema
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Notes to financial statements
for the year ended 31 March 2014

16. Restricted funds	At 1 April 2013 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2014 £
Capital Funds					
Oban Phoenix Cinema	102,066	-	(10,492)	7,329	98,903
Digital Projection equipment	65,510	44,494	(10,254)	2,802	102,552
External signage	3,769	-	(1,256)	-	2,513
Climate change Fund	-	21,363	(6,789)	-	14,574
Revenue Funds					
Community Arts Project	-	6,150	(4,479)	-	1,671
Food and Film festival	-	4,500	(1,509)	-	2,991
SVCO training grants	-	13,865	(13,865)	-	-
	<u>171,345</u>	<u>90,372</u>	<u>(48,644)</u>	<u>10,131</u>	<u>223,204</u>

Purposes of restricted funds

Oban Phoenix Cinema

The Oban Phoenix Cinema Fund includes all plant, machinery, equipment and refurbishments in the first year of trade, required to get the cinema up and running. The purchase was funded partly by grants, by donations and fundraising, and by a loan. Any shortfall in capital funding was met from unrestricted reserves. Outgoing resources represents the depreciation charge for the year.

Digital Projection equipment

The Digital Projection equipment fund represents the net book value of the digital projection equipment purchased for both screens in 2013 and 2014. The purchases were funded by grants and donations. The outgoing resources represent depreciation.

External signage

Grants were received in the prior year from Communn na Gaidhlig of £3,863 and from the Third Sector of £1,000 to fund the cost of external signage. The fund represents the net book value of the signage after depreciation.

Climate change Fund

During the year funding was awarded by the Climate Change Fund towards the cost of energy saving equipment including stage lighting, radiator valves, insulation and draught excluders. The balance on the fund represents the net book value of the equipment at the year end.

Community Arts Project

During the year £5,000 was received from the Robertson Trust and £1,150 from the NHS towards a community arts project at the cinema, encouraging participation of various local groups.

Food and Film festival

During the year £4,500 was received from SRUC in respect of a food and film festival at the cinema. The festival promoted local food products.

SVCO training grants

During the year £12,001 was received from SVCO, £1,364 from Highlands and Islands Enterprise and £500 from the NHS towards the cost of training. These grants were fully expensed in the year.

Oban Phoenix Cinema
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Notes to financial statements
for the year ended 31 March 2014

17. Transactions with trustees

During the course of the year electrical work was carried out by MacNiven Electrics with a value of £1,943. Directors Colin MacNiven and Christine Roberts operate MacNiven Electrics.

All of these transactions took place on an arm's length basis, in the normal course of operations, and in accordance with the policy adopted by the charity regarding conflict of interests.

18. Going concern

Subsequent to the year end, the directors have put in place various measures to reduce the operating costs of the cinema. In particular, staff costs have been reduced and all direct costs and overheads are being examined. The cinema has continued to trade within its overdraft limit and, along with the reason noted above, the directors consider the charity to be a going concern.

19. Company limited by guarantee

Oban Phoenix Cinema is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.