
Southampton Film Theatre

A Registered Charity and
Company Limited by Guarantee

Trustees Reports and Financial Statements For the year ended 31 July 2020

Charity number 276825
Company number 1383708

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The Trustee Directors present their report and financial statements for the year ended 31 July 2020.

STATUS

Southampton Film Theatre, popularly known as the Phoenix (and also referred to below as the Phoenix or the Society) is run in association with Union Films, based in Southampton University's Student Union.

The Society enjoys charitable status and is registered with the Charity Commission (Registration No 276825) under the name of Southampton Film Theatre.

The Society is also registered with Companies House (Registration No 1383708) under the name of Southampton Film Theatre, and is a company limited by guarantee and does not possess share capital. Liability of members is restricted to £1 each in the event of the Society being wound up.

The Registered Office address is:

The Phoenix (Southampton Film Theatre), PO Box 1212, 15 Hildown Road, SO17 1ZL.

The website address is: <https://www.thephoenix.org.uk>

The Phoenix is a member of the British Federation of Film Societies (Cinema for All) and Film Hub South West.

GOVERNANCE

The charity Trustees are also Directors of the company and in the company's Articles are known as members of the Council of Management. According to the requirements of the Memorandum and Articles of Association the members of the Council of Management are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. Members of the Council of Management are set out on page 4.

PURPOSES AND AIMS

The purposes and aims of the Society, its Charitable Objects, are as detailed in its Articles of Association and form the basis of its registration as a charity. Briefly, they are to encourage the development of film and public appreciation of the medium of film, and to promote the use of film as a record of contemporary life, particularly with reference to Hampshire and the City of Southampton.

ENSURING OUR WORK DELIVERS OUR AIMS

The Council of Management reviews the Society's aims, objectives, activities and risks each year. The review process helps us to ensure that our aims, objectives and activities remain focused on our stated purposes. We also identify risks and prioritise them in terms of likelihood of occurrence and potential impact. Our review process was extended as the Covid-19 pandemic developed; our reaction to the developing Covid-19 restrictions is set out in detail in the "Review of Business" on pages 2 and 3.

Our key risks, in addition to these arising from the Covid-19 pandemic, comprise the loss of key members of the Council of Management; a material reduction in the Society's membership; a sustained fall in the popularity of cinema towards small screen streaming services; various issues relating to Brexit; and venue loss.

The Council of Management has paid due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Council consider how planned activities will contribute to the aims and objectives they have set.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

The Society's main activity, who we try to help and our achievements and performance in the year are described in the "Review of Business" on pages 2 and 3. All our charitable activities are undertaken to further our charitable purposes, as embodied in our Charitable Objects, for the public benefit.

REVIEW OF BUSINESS

Working with the Students Union and Union Films

The Phoenix operates in conjunction with Southampton University's Union Films from the Southampton University Student Union building Cinema, which offers DCI-compliant projection and 35mm facilities in a recently refurbished space providing a comfortable environment for film-watching.

We retain our status as Union Films' 'World Cinema' provider whilst maintaining our identity as a standalone film society serving the wider public with an interest in the medium of film in and around Southampton. We value the often annually changing personnel in Union Films and our contact with the Student Union team; the Union values our community involvement.

Responding to the Covid-19 pandemic

The year will be largely remembered for our decision to temporarily cease screenings after we presented Evelyn on 11th March, ahead of HM Government's decision to order the closure of cinemas and much of the economy on 24th March.

The Council of Management has met regularly by utilising the Zoom platform with a primary focus of protecting the health of our members and volunteers and always keeping in mind our public benefit charitable aims. To inform these discussions, we have:

- maintained contact with the Student Union and the Union Films Manager;
- reviewed public statements from the University of Southampton;
- read the words of encouragement from our members;
- sought to understand the developing advice from the Charity Commission;
- monitored the reaction of other film societies and the commercial art house sector; and
- monitored the ongoing advice from HM Government.

The Council of Management has communicated with members and other interested parties, generally on a monthly basis, with a Mailchimp email and a link to a Newsletter on our website. These communications have been well received and some have included input from our members as well as from members of the Council of Management.

Sadly, the course of the pandemic has meant that it was not possible to recommence screenings in our 2019-20 season. We will continue to monitor developments and look forward to screenings recommencing, hopefully earlier rather than later in 2021, always guided by what is best for the health of our members and volunteers and, of course, the availability of our venue.

Delivering our objectives

The membership data below demonstrates that we saw a small increase in annual memberships but this was offset by a decrease in associate memberships and admissions, both a consequence of the truncated season. Our members, and students with an annual Premiere Pass who enjoy reciprocal membership, continue to benefit from weekly film notes, regular newsletters, involvement in Southampton Film Week, films focused on themes (e.g. International Human Rights and Holocaust remembrance), and our traditional Christmas event involving a well-received, film-oriented quiz.

Membership data 2019-20

Membership and attendance figures were as follows (previous three years' figures in brackets):

Yearly memberships:	187 (183, 198, 199)
Associate memberships:	100 (138, 81, 120)
Admissions:	3,053 (4,136, 4,115, 4,506) for a total of 22 (30, 29, 29) films
Average attendance:	139 (138, 142, 155)

Another great part-year of film – our Film Selection Committee continues to get it right!

We may only have screened 22 films out of a planned 31, but it is clear that our Film Selection Committee's work was warmly appreciated by our members, including our involvement in 'extra-curricular' festivals such as the pleasingly annual 12th Southampton Film Week. Our average audience vote remained encouragingly high at 83.8%, up on last year's 81.0%.

Our most popular films and our audience reaction percentages were 'The Intouchables' (98%), 'Apollo 11' and 'Capernaum' (both 95%) and 'Woman at War' (92%).

Finance

We have been heartened and grateful that no members have sought a refund for those films unable to be shown, another indication of the continuing loyalty of our members who enjoy, as part of a vibrant Phoenix community, the best of world cinema both affordably and comfortably. It is our intention to offer annual members and associates a discount at least equivalent to the value of films we were unable to screen from mid-March until the end of the 2019-20 season when we are able to safely recommence activity.

Whilst we had planned a modest surplus for the year, we have recorded a deficit of £952 resulting from the truncated season.

Our reserves

Members of Council continue to monitor the Society's reserves on a regular basis and consider the reserves held by the Phoenix to be satisfactory, recognising both current uncertainties and possible future events, and to adequately cover risks identified in our risk register as identified on page 1. The risk register also acknowledges the voluntary nature of our Council, and from time to time we make requests of our membership for additional effort to enable us to continue operating successfully in the future.

Going concern

Members of Council have assessed the ability of The Phoenix to continue as a going concern. That assessment included consideration of the impact of the Covid-19 pandemic on the operations and finances of The Phoenix, including a review of different scenarios and the assumptions underpinning them, the level of cash held as reserves and the associated risk profile of the organisations holding the cash, the key risks as identified in our risk register and noted on page 1 and our budgets for 2020-21 and 2021-22 using conservative assumptions. The assessment made by the Members of Council is that The Phoenix will remain a going concern for a period of at least 12 months from the date of approval of this report and of the financial statements.

Thanks

We wish to record publicly our thanks to:

- Union Films volunteers who work so hard to deliver an amazing experience for our members;
- the SUSU management who continue to work hard behind the scenes to support our activity;
- our non-student volunteers who turn out week in, week out, to welcome our members; and
- the individuals who, as the Phoenix Council, continue to search out and enable the showing of the best of world cinema.

Most importantly, we would like to thank our members for their loyalty throughout the past year and for continuing to support the efforts of the Council of Management whilst our screenings remain temporarily suspended.

Conclusion

Having concluded that the state of the Company's affairs and the accounts for the year are satisfactory in the current circumstances, the Trustee Directors of the Phoenix recommend acceptance of this report.

COUNCIL OF MANAGEMENT

Members of the Council are both Trustees of the Charity and Directors of the Company.

No member of the Council of Management receives remuneration or other benefit from their activities as a Trustee Director of the Phoenix. Any connection between a member of the Council of Management of the Phoenix and a contractual party must be disclosed to the Council. During the year under review, no such related party transactions were reported.

During the year the Council Members were:

G Cole (Chair)	(elected 1 November 2017)
S Edwards	(elected 1 November 2017)
A Jackman (also Company Secretary)	(elected 14 November 2018)
J Marshall	(elected 1 November 2017)
JA Pickering	(elected 1 November 2017)
W White	(elected 20 November 2019)

FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts. 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.

By order of the Council

A Jackman

Company Secretary

Southampton Film Theatre

[date to be confirmed]

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
for the year ended 31 July 2020

	<i>Notes</i>	2020	2019
INCOME	2		
		£	£
Membership		6,476	10,480
Door receipts		2,460	3,643
Other operating income		10	-
Deposit account interest	3	239	275
TOTAL INCOME		9,185	14,398
EXPENDITURE			
Film hire and purchase		3,618	4,450
Venue hire		4,000	5,600
Administration expenses		931	1,585
Promotion (including printing and advertising)		1,588	2,373
TOTAL EXPENDITURE		10,137	14,008
(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	4	(952)	390
RETAINED FUNDS BROUGHT FORWARD		32,644	32,254
General fund £3,894 (£3,504); designated fund £28,750 (£28,750)			
RETAINED FUNDS CARRIED FORWARD		31,692	32,644
General fund £2,942 (£3,894); designated fund £28,750 (£28,750)			

There are no recognised gains or losses attributable to members other than the deficit for the period of £952 (2019: surplus of £390).

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BALANCE SHEET

at 31 July 2020

	<i>Notes</i>	2020 £	2019 £
CURRENT ASSETS			
Cash at bank and in hand	5	<u>46,774</u>	<u>51,970</u>
CREDITORS: amounts falling due within one year	6	<u>15,082</u>	<u>19,326</u>
NET CURRENT ASSETS		<u>31,692</u>	<u>32,644</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31,692</u>	<u>32,644</u>
FUNDS			
Unrestricted funds:			
General funds (undesignated)		2,942	3,894
Designated fund: Equipment Reserve	8	<u>28,750</u>	<u>28,750</u>
		<u>31,692</u>	<u>32,644</u>

For the year ending 31 July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

)
G Cole)
) **Directors and Trustees**
A Jackman)
)

[date to be confirmed]

CASH FLOW STATEMENT

for the year ended 31 July 2020

	2020	2019
	£	£
Net (deficit) / surplus	(952)	390
(Decrease) / increase in creditors	(4,244)	2,365
Cash flow from operating activities:		
Net cash used in operating activities	<u>(5,196)</u>	<u>2,755</u>
Change in cash and cash equivalents in the year	<u>(5,196)</u>	<u>2,755</u>

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NOTES TO THE ACCOUNTS

at 31 July 2020

1. ACCOUNTING POLICIES

Basis of accounting and going concern

The accounts are prepared under the historical cost convention and are drawn up in accordance with the requirements of the Statement of Recommended Practice (SORP FRS102).

The Trustee Directors assess whether the use of the going concern basis of accounting is appropriate, i.e. whether there are material uncertainties related to events or conditions that may cast doubt on the ability of the Phoenix to continue as a going concern. The Trustee Directors review forecasts and projections covering a period of at least one year from the date of approval of the financial statements in making that assessment. The Trustee Directors do not consider that there are any such material uncertainties, other than the impact of the Covid-19 pandemic which is considered further in the Review of Business on pages 2 and 3. The overall impact of the Covid-19 pandemic on the finances of the Phoenix will be dependent on the duration and nature of restrictions on social contact, whether government imposed or due to general concerns regarding to the safety of members and volunteers and the availability of a venue. The Trustee Directors have reviewed a range of scenarios which differ in timescale for a resumption of activities and the timeline for building back up to the level of activity prior to the pandemic, recognising that the Phoenix is a volunteer-led organisation with a low level of fixed cost. As a result of this review process, the Trustee Directors consider that the going concern assumption remains valid.

Income and expenditure

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

Expenditure is recognised when a liability is incurred.

Trustee Directors' responsibilities

See Statement on page 4.

2. INCOME

The Phoenix is not required to register for Value Added Tax.

3. INTEREST

	2020	2019
	£	£
Bank deposit account interest	<u>239</u>	<u>275</u>

4. TAXATION

HM Revenue & Customs ("HMRC") has confirmed that the company is a charity for tax purposes in line with Paragraph 1 of Schedule 6 Finance Act 2010, and that the company is regarded for tax purposes as a charitable company. The charity reference number supplied by HMRC is EW05773. No provision for corporation tax is required.

5. CASH AT BANK AND IN HAND

	2020	2019
	£	£
Current account (Santander Bank)	6,595	330
On demand deposit account (COIF)	40,179	51,640
	<u>46,774</u>	<u>51,970</u>

6. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	10,878	10,336
Membership income in advance	4,204	8,990
	<u>15,082</u>	<u>19,326</u>

7. MEMBERS' LIABILITY

The liability of the members is limited to £1 each.

8. EQUIPMENT RESERVE

The principle of establishing an equipment reserve was discussed by Council and at the AGM 2005. This designated, unrestricted fund has been established in order that the means to achieve the aims of the Charitable Company can continue to be met, particularly in relation to projection of future (digital) productions.

In the current year, an amount of £nil (2019: £nil) was transferred from the undesignated general fund to the designated equipment reserve, resulting in a balance in this reserve at the end of the year of £28,750 (2019: £28,750).

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