

Registered Society Number 32224R

THE CLIFTON COMMUNITY ARTS CENTRE LTD

REPORT AND ACCOUNTS

FOR THE YEAR ENDING 31/12/2016

Board's Report

The Directors of The Clifton Community Arts Centre Ltd have pleasure in producing the company's accounts for the year ending 31st December 2016

Principal Activities of the Company

The Society operates as a Community Benefit Society

Results and Dividends

The accounts show a profit of £2,248.

The profit is carried to a general reserve for the continuation and development of the society and created in accordance with the society's rules of conduct. At the AGM of 22nd July 2016 members agreed a rule change so that no dividend or interest on the share capital is payable.

Directors

The following directors served during the year

W Graham

F Hunter

L Dargue

I Roberts (appointed 27th June 2015 and resigned 19th June 2016)

J Woodyet (resigned 12th January 2016)

R Hughes (appointed 10th April 2016)

Statement of disclosure of information to accountants

We, the Board of Management who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Society's independent examiner, Mrs Dilys Law, is unaware; and
- we have taken all the steps that we ought to have taken as Board members in order to make ourselves aware of any relevant accounting information and to establish that the Society's accountants are aware of that information.

Signed on behalf of the Board on 22nd April 2017



W Graham

Chairman

THE CLIFTON COMMUNITY ARTS CENTRE LTD

CHAIRMAN'S REPORT

The Society leaves 2016 in a better place than it started the year in but we still have a long way to go on our journey.

The year can be divided into two phases. At the start the Society was in a frustrating sense of limbo while we were awaiting the anticipated change of ownership in the Clifton building. We had stopped accepting new share subscriptions and our expectation was that we would discover shortly who the new owners were. A sold subject to contract sign was erected in July 2015 and from public domain information in the way of Land Registry information and notifications of planning applications we were able to trail the process towards change of ownership.

However, the months went by and no change of ownership took place. Eventually we received written confirmation from Dunelm in May 2016 that they still owned the Clifton building but were in negotiations with one party over its disposal which they expected would conclude shortly.

This enabled the Board to put a number of motions to members at the AGM on 22nd July 2016 the most important of which was to explore the possibility of acquiring an interest in alternative premises in the town while the uncertainty with regard to the Clifton building remained. In fact, as far as we are aware, the Clifton building remains in Dunelm's ownership. Dunelm have not replied to our requests for updates. We have published an article on our website setting out further our understanding on the position on the Clifton building and what legal safeguards are available that would protect the building against loss or substantial damage.

While I would stress that we will not abandon hope of acquiring the Clifton building the Board's view has always been that as a Society we cannot progress without a trading premises. The passing of the above motion has enabled us to start receiving further share subscriptions and since the relaunch in August our subscription numbers have increased by some 10% to just under 650 and while we offered existing members the opportunity to resign from the society if they would not have been prepared to subscribe in the first instance if the original share offer had been on the current terms only three members have chosen to do so. This clearly reflects a continuing local commitment to our aims and objectives.

Since the AGM, the Board has been actively pursuing alternative premises and identified a number of potential premises as options. We are of the view that the most suitable and affordable premises is the old HSBC building at Station Road which has become available following the Bank's decision to close its doors in Wellington in August 2016.

Currently we are in discussions with the agent acting for HSBC with a view to entering into a five year sublease on the property. In the Board's view, a successful completion would provide us with a substantial degree of flexibility. Not only will it provide us with a continuing income stream during a period where the future of the Clifton building may become clear, it will also enable us to be in a stronger position both now and in the future in obtaining grant money.

We have drawn up a revised business plan on the basis of an interest in the HSBC building which we see as being of sufficient size to accommodate most of the facilities that we were envisaging at the Clifton with the exception of a theatre. We consider that we can accommodate an 80 seat cinema and café/bar area on the ground floor and multi purpose rooms on the upper floors. Our plan is based upon extensive research on comparable venues from public domain information as

well as personal discussions and even on making some quite conservative assumptions we consider that we can be capable of being not only profitable but debt free after five years.

These accounts show share subscription money of £33,000 and a general reserve of £6,000. We will need considerably more funds to develop the HSBC into what we would want it to be and would be looking to obtain these through a combination of further money from the local community and grant money.

In August 2016, we received clearance from HMRC that our shares and loan stock which we can issue will qualify for Social Investment Tax Relief (SITR). A small number of people have already made investments under SITR and these have been HMRC approved. We consider this to be an important benefit to us and our investors. For example, a five year loan to the Society would, on account of the tax relief, ultimately give the investor an equivalent return of over 10% which we hope in the current investing environment will be attractive. Further information on SITR will be found on our website.

In addition, we are in the course of applying to various grant awarding bodies for finance on the project should it proceed. Ultimately, we would see that as finance to top up the considerable levels we have attracted from the local community. At this stage, at least, and hopefully at no stage, we want to see the Society progressing and developing without financial support from local councils and be driven by its members. That is not to say that we do not appreciate the support offered to us by local councils. In 2015 Wellington Town Council's Mayor made us one of his charities of the year and this year's accounts show a receipt of £1,000. We are also grateful for the Town Council letting us have our registered office at the Civic Offices. With regard to Telford & Wrekin Council we have had recently two productive meetings with councilors and have two separate letter from the council in support of our aims which are gratefully acknowledged and will be invaluable in our negotiations with a number of parties.

Turning to the accounts, our profits are our highest since incorporation. We have shown more films than ever before and in September held a four Continents' Film Festival in addition to our regular Spring and Autumn Film Festivals. Spring is always better attended than Autumn and our average attendance rose from 82 to 98 for the Spring series and 53 to 63 for Autumn.

Community engagement is an overriding consideration for us and the year saw two initiatives in particular meriting mention. In October we enrolled with Local Giving. Anyone can donate to us at any time at <https://localgiving.org/> but they do also run matching schemes and we received £1,245 since becoming members. Secondly, we entered the Aviva Community Fund again this year and received the second highest votes in Telford and the second highest nationally in the area we were applying in. We should account for an award of £1,000 in next year's account and I would hugely thank everyone who voted for us.

Finally I cannot close without thanking personally all of our small group of volunteers who have tirelessly contributed their time, energy and enthusiasm in the last year.

A handwritten signature in black ink, appearing to be 'G. H. C.', written in a cursive style.

THE CLIFTON COMMUNITY ARTS CENTRE LTD

BOARD'S RESPONSIBILITIES STATEMENT

Responsibilities for the preparation of financial statements

The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

In preparing these financial statement, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The Clifton Community Arts Centre Ltd

Independent Examiners' Report under Section 85 of the Co-operative and Community Benefit Societies Act 2014

We report to the members on the unaudited accounts for the year ended 31 December 2016 set out on pages 1 to 11.

RESPECTIVE RESPONSIBILITIES OF OFFICERS AND REPORTING ACCOUNTANTS

The society's officers are responsible for the preparation of the accounts, and they consider that the society is entitled to opt out of an audit. It is my responsibility to carry out procedures designed to enable me to report our opinion.

This report is made to the society's members, as a body, in accordance with the terms of my engagement. My work has been undertaken so that I might compile the accounts that I have been engaged to compile, report to the society's members that I have done so, and state those matters that I have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the society and the society's members, as a body, for my work or for this report.

BASIS OF OPINION

My work was conducted by comparing the accounts with the accounting records kept by the society, and making such limited enquiries of the officers of the society as I considered necessary for the purposes of this report. These procedures provide the only assurance expressed in my opinion.

OPINION

In my opinion:

- (a) The accounts, including the profit and loss account and balance sheet, are in agreement with the accounting records kept by the society under s75 of the Co-operative and Community Benefit Societies Act 2014;
- (b) Having regard only to, and on the basis of, the information contained in those accounting records the profit and loss account and balance sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- (c) For the preceding year of account, the financial criteria for the exercise of the power conferred by section 84 were met in relation to the year.

**Dilys Law,
Accounts reviewer,
Wellingborough**

Date: 7th April 2017

The Clifton Community Arts Centre Ltd

Profit and Loss Account for the year ending 31st December 2016

	2016	2015
Income		
Donations, grants and sponsorship	3746	1685
Merchandise, donations and miscellaneous	270	875
Film Sales	7263	5874
Interest	<u>37</u>	<u>34</u>
Total Sales	11549	8468
Expenditure		
Printing, postage & stationery	510	1936
Film Screening fees	2204	1805
Advertising & Marketing	2637	557
Film Screening room hire	1827	636
Entertainers	403	417
Subscriptions	114	114
Training, travel and subsistence	237	533
Merchandise	335	94
Ice Creams/Refreshments	422	218
Fees & Consultancy	400	411
Insurances	53	53
Miscellaneous	105	57
Depreciation	<u>56</u>	<u>61</u>
Total Expenses	9301	6892
Profit	2248	1576

The Clifton Community Arts Centre Ltd

Balance Sheet at 31st December 2016

	2016	2015
FIXED ASSETS		
Equipment	<u>167</u>	<u>183</u>
CURRENT ASSETS		
Stock	583	50
Prepayments & Other Debtors	343	94
Revenue Current Account	4450	5802
Shareholders' Bank Account	33258	31834
Loan	490	
Cash on Hand	<u>250</u>	<u>395</u>
Total Net Assets	39374	38175
CREDITORS		
Amounts falling due within one year	253	<u>2693</u>
Amounts falling after one year	<u>100</u>	
	353	
NET CURRENT ASSETS	<u>39021</u>	<u>35482</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	39188	35665
NET ASSETS	39188	35665
CAPITAL AND RESERVES		
Issued Share Capital	33055	31780
Profit and Loss reserve b/fwd	0	
Profit for the year	<u>2248</u>	
Profit and Loss reserve c/fwd	2248	
Transferred to general reserve	2248	
	0	
General Reserve	<u>6133</u>	<u>3885</u>
Members' funds	39188	34825

The accounts in the opinion of the directors give a true and fair view under s80 (3) of the Co-operative and Community Benefit Society Act and were approved by them on 22nd April 2017

Secretary

Directors

Notes to accounts

1. Accounting policies

The society is a Community Benefits Society incorporated under the Co-operative and Community Benefits Society Act 2014 and regulated by the Financial Conduct Authority. Under s79 of the Act it is required to produce accounts.

Although the society is a charity it is not regulated by the Charities Commission. Nevertheless, the society has chosen to adopt the standards required by the Statement of Recommended Practice - Accounting and Reporting by Charities, issued in March 2005, (SORP) which sets out the recommended practice for the purpose of preparing the trustees' annual report and for preparing the accounts on the accruals basis.

Accordingly, the accounts reflect incoming resources including amounts owed to the society by its debtors and resources expended including amounts owed by the society to its creditors.

The Accounts are rounded up to the nearest pound for both income and expenditure.

The society has adopted the standards of materiality covered in the SORP whereby an item is material if in the directors' view its inclusion or exclusion from the accounts would be likely to change the reader's view about the accounts. In the directors' view no items have been excluded from the Accounts which could be considered material.

2. Stock

The society currently occupies a stall each Saturday at Wellington Market from which it sells merchandise which is also sold at various film festivals and events. Stock is valued at the lower of cost and net realizable value being the estimated proceeds of sale. There are also various items of consumable stores and expenses in the profit and loss account have been adjusted for the following: -

Advertising	296
Refreshments	173
Merchandising	111
Postage & Stationery	2

3. Interest

Interest arose just on both the shareholders' bank account this year. Pending the acquisition of a Community Arts Centre the shareholders' account retains the net share subscription monies after PayPal fees and accumulated interest. The interest position has been reviewed and now shows gross interest after tax. We will claim the tax back for all years from HMRC and the figure also includes a prior year adjustment of £17.

4. Taxation

HMRC have recognized the society as a charity for Corporation Tax purposes and in our view no Corporation is payable on any of the society's income or activities for the year.

The society is not registered for VAT.

5. Director's remuneration

No director receives any remuneration from the society.

The society currently has no employees.

6. Fixed Assets

Equipment

Net Book Value brought forward	183
Additions for the year	<u>40</u>
	223
Depreciation for the year	<u>56</u>
Net book value	167

Assets are depreciated over their useful economic life at the rate of 25% on a reducing basis

7. Debtors and Prepayments

The society has made a prepayment in respect of third party insurance for 2016.

Other debtors relate to a VAT refund, income tax refunds on bank interest, gift aid and an amount due from Local Giving

8. Creditors, accruals and receipts in advance

Trade creditors 253

SITR Loan Stock 100

9. Loans

The Loan made in the year is to a local circus as a contribution towards the purchase of magical equipment that will bear the Society's logo. There are no fixed terms of repayment but the loan will be repaid out of the proceeds of shows jointly held.

The Loan due in the year is from a member who has also invested in shares. The Loan has been made under Social Investment Tax Relief rules and is for five years and carries interest at the annual rate of 2.25%.

10. Share capital

Authorized share capital	£500,000
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Issued Share Capital at 31/12/2014	31780
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Issued in the year	1425
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Cancelled in the year	(150)
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Issued Share Capital at 31/12/2015	33055
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