

Registered Society Number 32224R

THE CLIFTON COMMUNITY ARTS CENTRE LTD

REPORT AND ACCOUNTS

FOR THE YEAR ENDING 31/12/2017

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 2017

Principal Activities of the Company

The Society operates as a Community Benefit Society

Results and Dividends

The accounts show a profit of £2,149.

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.

Post Balance Sheet Events

The Society now has the freeholder's consent to a change of use at 1 Station Road Wellington and is hopeful of finalising a lease on the property in the near future.

Directors

The following directors served during the year

W Graham

F Hunter

L Dargue

R Hughes

F Easton (appointed 28th April 2017)

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 or any relevant accounting information and to establish that the Society's accountants are aware of that information.

Signed on behalf of the Board on 13th March 2018



W Graham

Chairman

THE CLIFTON COMMUNITY ARTS CENTRE LTD

CHAIRMAN'S REPORT

Last year I reported that the Society left 2016 in a better place than it started the year in but that we still had a long way to go on our journey. Unfortunately, through circumstances that have been mainly beyond our control progress during the year was frustratingly slow but as indicated in the Post Balance Sheet Events part of the Director's Report good progress is now being made..

At the AGM on 22nd July 2016 Members approved a motion to enable the Board to explore the possibility of acquiring an interest in other premises in the town while there was uncertainty with regard to the future of the Clifton buildings and I will start by confirming our current understanding of the ownership of those properties. In October 2017, a development company held an exhibition in the old cinema building outlining their intention to convert the properties into a combination of retail outlets and flats. We understand that they have entered into a conditional contract with Dunelm that is dependent upon them obtaining planning permission. No such permission had been applied for at the time of the exhibition and that remained the case at the balance sheet date but has since been registered but awaits approval.

The Board are heartened by the fact that the proposals entail the retention of the historic façade to that building and we would confirm that we have asked Telford & Wrekin Council planning authority to include the buildings within the Wellington Conservation Area as we believe that that would afford better protections against the outright demolition of the property under planning guidelines. We understand that the planning authority are in the process of updating the Conservation Area and we await a further update.

We have responded to the planning application to state that while some of the historical character of the building will be retained the proposals fall short of the requirements in planning law and the local plan but these could be mitigated by s106 monetary planning obligations considering that the application will significantly increase the number of town centre residents.

While I would stress that we will not abandon hope of acquiring the Clifton building especially as the sale contract is conditional on obtaining planning permission, the Board's view remains that as a Society we cannot progress without a trading premises and our view remains that the old HSBC building at Station Road which became available following the Bank's decision to close its doors in Wellington in August 2016 is the best available premises in the town and currently probably stands closer to being what should be a permanent rather than a temporary trading venue.

Much of the year has been taken up in discussions with the agent acting for HSBC with a view to entering into a short term sublease on the property.

As reported last year, 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. We have constructed a business plan which 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. This has been submitted to HSBC's agent to give them confidence that we can fund the acquisition of the sublease at the level of rent we have offered.

While the indications are that HSBC are prepared to agree a sublease with us, the matter has been complicated by the fact that under their lease with the landlord they are required, in their view, to obtain certain consents from him and these have yet to be obtained. As indicated in the

post balance sheet events comment all consents have now been agreed and we are pressing ahead in obtaining the additional funding we will need to go ahead with the transaction.

Over the year, we have been working increasingly upon the assumption that the sublease will be agreed in the short term and have undertaken a considerable amount of planning work in anticipation of this and in particular have engaged a project manager in the last few months to assist in the overall planning so that the time lag between acquiring the lease and opening our doors for trading can be kept to a minimum. Unfortunately, though, we have had to hold back on many aspects of this until the lease is signed.

In particular, though, we can report that we have made a pre planning application to Telford & Wrekin Council in relation to the HSBC building and have received in principle approval to a change of use for the building although that does not guarantee approval when a formal application is received. We have now submitted a formal application and await approval.

These accounts show share subscription money of £35835 and a general reserve of £8282. We will need considerably more funds to develop the HSBC into what we would want it to be – our business plan suggests a figure of £315,000 - and would be looking to obtain these through a combination of further money from the local community and grant money. To this effect, we have compiled an enhanced share offer booklet to attract major investors once the lease is signed and we are grateful that Wellington Town Council have provided us with a grant to assist in the publication costs.

Turning to the accounts, our profits are in line with the figures for the previous year. Drilling down, though, it can be seen that there has been a significant increase in fee expenditure. Most of this can be accounted for by surveyor fees to obtain an opinion on the open market rental on the HSBC building and the aforementioned project manager fees. Arguably, under the prudence concept for accounting we could have treated this expenditure as a prepayment on the balance sheet to be released to profit and loss when it could be matched with income from the building or alternatively written off should the acquisition become abortive. However, we feel that the alternative accounting policy of writing off in the year is more informative to the reader in setting out the available financial resources.

Beyond that our activities in the year remained a combination of fundraising and a foretaste of what a permanent trading premises can offer. Our film festivals remain well attended. Partly, we are still experimenting to discover the types of films the community wish to see and in the autumn we ran a mini series of film classics with various successes including a sell out for Brief Encounter which was accompanied by an afternoon tea and we will repeat this type of event in the New Year.

We have also embarked on other events including a Dance show which was held at the Charlton School to our largest ever audience but unfortunately generated a small loss and a series of quizzes at the John Bayley club organized by a key volunteer that have become increasingly well attended and with that in mind, I would close without thanking personally all of our volunteers who have tirelessly contributed their time, energy and enthusiasm in the last year. It is your sacrifices of your time for no reward that have resulted in the profits shown for the year.

A handwritten signature in black ink, appearing to be 'G. H. L.', 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 2017 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: 10th March 2018

The Clifton Community Arts Centre Ltd

Profit and Loss Account for the year ending 31st December 2017

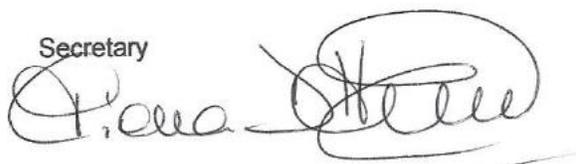
	2017	2016
Income		
Donations, grants and sponsorship	4219	3746
Merchandise, donations and miscellaneous	303	270
Film Sales	7217	7263
Other Events	1461	
Interest	<u>1</u>	<u>37</u>
Total Sales	13201	11549
Expenditure		
Printing, postage & stationery	255	510
Film Screening fees & Royalties	3325	2204
Advertising & Marketing	1650	2637
Room hire	1589	1827
Entertainers		403
Subscriptions	114	114
Training, travel and subsistence	346	237
Merchandise	273	335
Ice Creams/Refreshments	595	422
Fees & Consultancy	2370	400
Insurances	55	53
Website	128	
Cleaning & Accessories	124	
Accountancy	75	
Miscellaneous	97	105
Depreciation	<u>56</u>	<u>56</u>
Total Expenses	11052	9301
Profit	2149	2248

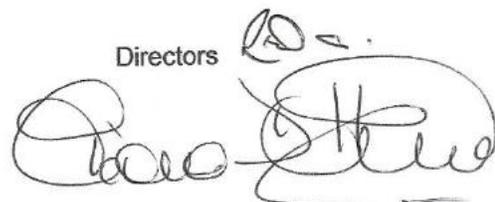
The Clifton Community Arts Centre Ltd

Balance Sheet at 31st December 2017

	2017	2016
FIXED ASSETS		
Equipment	<u>260</u>	<u>167</u>
CURRENT ASSETS		
Stock	340	583
Prepayments & Other Debtors	395	343
Revenue Current Account	6812	4450
Shareholders' Bank Account	36118	33258
Loan	410	490
Cash on Hand	<u>228</u>	<u>250</u>
Total Net Assets	44303	39374
CREDITORS		
Amounts falling due within one year	247	253
Grant Amortisation	99	
Amounts falling after one year	<u>100</u>	<u>100</u>
	446	353
NET CURRENT ASSETS	<u>43857</u>	<u>39021</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	44117	39188
NET ASSETS	44117	39188
CAPITAL AND RESERVES		
Issued Share Capital	35835	33055
Profit and Loss reserve b/fwd	0	
Profit for the year	<u>2149</u>	
Profit and Loss reserve c/fwd	2149	
Transferred to general reserve	2149	
	0	
General Reserve	<u>8282</u>	<u>6133</u>
Members' funds	44117	39188

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 13th March 2018

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	214
Refreshments	25
Merchandising	99
Postage & Stationery	2

3. Interest

No interest was receivable on our bank accounts with the Co-op bank. In 2016, the Co-op closed their branch in Wellington and in 2017 they closed their branch in Shrewsbury. The Board are reviewing their banking arrangements and currently the benefits of getting a rate of return from other bankers are insufficient to outweigh the disadvantages of reprinting share offer documentation but if substantial funds are forthcoming in 2018 this will be critically reappraised. The small amount of interest received relates to interest on HMRC repayments.

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.

4. Director's remuneration

No director receives any remuneration from the society.

The society currently has no employees.

5. Fixed Assets

Equipment

Net Book Value brought forward	167
Additions for the year	<u>147</u>
	314
Depreciation for the year	<u>54</u>
Net book value	260

Assets are depreciated over their useful economic life at the rate of 25% on a reducing basis. This does not include a Blu-ray player awarded to us by the BFI under the BFI Neighbourhood Film Fund. It is recorded at market value of £99 when received but has not yet been used.

6. Debtors and Prepayments

The society has made a prepayment in respect of third party insurance for 2018 and for Wellington CVS membership which falls partly in 2018.

Other debtors relate to gift aid and an amount due from Local Giving

7. Creditors, accruals and receipts in advance

Trade creditors 247

Grant Amortisation 99

SITR Loan Stock 100

The grant will be amortised once the Blu-ray player is brought into use.

8. 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. £80 was repaid during the year.

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%. To save on administrative costs the lender kindly agreed to waive his interest entitlement for the year.

9. Contingent Liabilities

There are no contingent liabilities.

10. Share capital

Authorized share capital	£500,000
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Issued Share Capital at 31/12/2014	33055
Issued in the year	2880
Cancelled in the year	(100)
Issued Share Capital at 31/12/2015	35835

The cancellations related to four members who had passed away during the year. In each case the personal representative agreed to recharacterize the subscription as a donation.