



**MEDICINEMA**  
(A COMPANY LIMITED BY GUARANTEE)

Trustees Report and Financial Statements

For the year ended 31 December 2019



Charity registration no 1058197 (England and Wales)

Charity registration no SC039704 (Scotland)

Company registration no 3210199 (England and Wales)



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## MESSAGE FROM THE CEO

*Dear Reader,*

As we submit these accounts, COVID-19 is at the forefront of all our minds. The very real threat of sickness, isolation and the social and financial impact of extended lockdown is leaving us all feeling uncertain. Everyone at MediCinema sincerely hopes that you, your family and friends are all in good health and spirits at this challenging time.

Our collective situation is one that is immediately recognisable to anyone who has spent time in hospital, as a patient, or as relative or friend to one. We can now relate to those feelings of loneliness, isolation and worry more than ever. There are no cinemas open, no outings to restaurants, and we can't even visit those closest to us. For those in hospital, tighter visiting restrictions are making in-person interactions so much harder.

MediCinema exists to help NHS patients and their families. We know that our NHS partners and staff love our service, because it helps patients enjoy time away from their worries and gives them a break from the wards. For 20 years we've been working closely with NHS Trusts to give people in hospital the opportunity to do something that feels normal with their loved ones – to visit a cinema and enjoy the shared experience of watching a movie together. And the impact of that on wellbeing and resilience, as well as the patient's experience of hospital, is proven - as our section on impact in this report demonstrates (p10-12).

Our own hospital cinemas are currently closed, just as cinemas around the country are shuttered up. For our patients, not being able to visit our cinemas means so much longer on their own, unable to enjoy the simple pleasure of sharing a film with others.

This unprecedented situation has demanded that we act decisively and think about how we provide a sense of normality, escapism and a new definition of shared experience for patients. While we are all waiting for the effects of COVID-19 to pass, we have found a new way to support patients, the majority of whom are unable to receive visitors on the wards, by bringing movies direct to them on screens at their bedsides.

MediCinema have teamed up with Hospedia, the leading supplier of hospital bedside screens, and Non-Theatrical film distributors Filmbankmedia along with a number of major Theatrical film distributors, including Disney, Warner Brothers, eOne, Sony, Paramount Pictures and Universal Pictures, to bring complimentary films straight to patients. Patients are now able to watch films such as *The Lion King* (2019), *Toy Story 4*, *A Dog's Journey*, *Pokémon: Detective Pikachu* and *The Incredibles* at no cost to patients. The hospitals carrying this service include Guy's, St Thomas', Chelsea and Westminster and Newcastle's Royal Victoria Infirmary (RVI).

We are working with our partner The Walt Disney Company to provide patients at these hospitals, as well as Great Ormond Street Hospital and West Middlesex Hospital, with activities linked to each of the films that we show, helping them create 'Moments that Matter' and boost their resilience. Our mini film festivals have included a variety of activities, including tray liners, quizzes, colouring sheets and competitions, focused on the films and giving an array of activities for children to complete with play workers, on their own, or to share with siblings remotely while they cannot visit.

Thanks to supplier and film distribution partners and all of our financial supporters, we will be running these services while our own core cinemas are closed. With your help we can continue to provide patients with the escapism and relief that we are all seeking at the moment.

I know the health and well-being of those you love will be your most immediate priority at the moment. If you're fortunate enough to be with your family, please think of those in hospital today and support us to help them maintain a sense of normality.

Before I go and let you read about the charity's activities and impact in 2019, I want to leave you with some words from Mel. Mel is the mother of Lucas, who loves his visits to MediCinema more than I can possibly do justice to here. If you need a compelling reason to give, Mel does a wonderful job:

*"If you're donating to MediCinema, you're not just helping kids watch a film. I don't think people realise, because if you're not living it, you can't understand it. There's a bigger picture. It's not just going to watch a movie for us. It's the whole experience in general ... even just the walk down to the MediCinema; it all takes my mind off everything and allows my mind to rest. MediCinema releases you. You can't put a price on what it means to people and what the volunteers and the cinema managers give back to the patients ... money can't buy that."*

This crisis will end and we look forward to when we can all enjoy the big screen experience once again.

With warmest wishes to you all.



*Kat Mason, Chief Executive Officer*







## REFERENCE AND ADMINISTRATIVE DETAILS

Charity number (England and Wales)	1058197
Charity number (Scotland)	SC039704
Company number	3210199
Registered Office	Conybeare House, Guy's Hospital, London, SE1 9RT

### ***Our advisors***

Auditors	Sayer Vincent, Invicta House, 108-114 Golden Lane, London EC1Y 0TL
Bankers	Coutts & Co, 440 Strand, London, WC2R 0QS
	CAF Charity Services, Kings Hill, West Malling, Kent, ME19 4TA
Solicitors	Akin Gump Strauss Hauer & Feld LLP, Bishops Square, Spitalfields, London E1 6EG

### ***Directors and trustees***

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Chair	P Massara
Elected Trustees	L Atkinson
	S Bristow
	M Burbidge (appointed 18 <sup>th</sup> Sept 2019)
	J Chan
	P Hoy
	Dr N Lessof (appointed 18 <sup>th</sup> Sept 2019)
	C Lilly
	S Moore
	S Morritt
	K Styles
	K Williams
Secretary	K Mason

### ***Key management personnel***

Chief Executive	Kat Mason (maternity leave May 2019 - March 2020)
Interim Chief Executive	Steve Crump (maternity cover April 2019 - April 2020)
Director of Operations	Paul Giggall
Director of Fundraising	Adam Johnson
Director of Communications	Lysette Cohen







## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report and accounts for the year ended 31 December 2019.

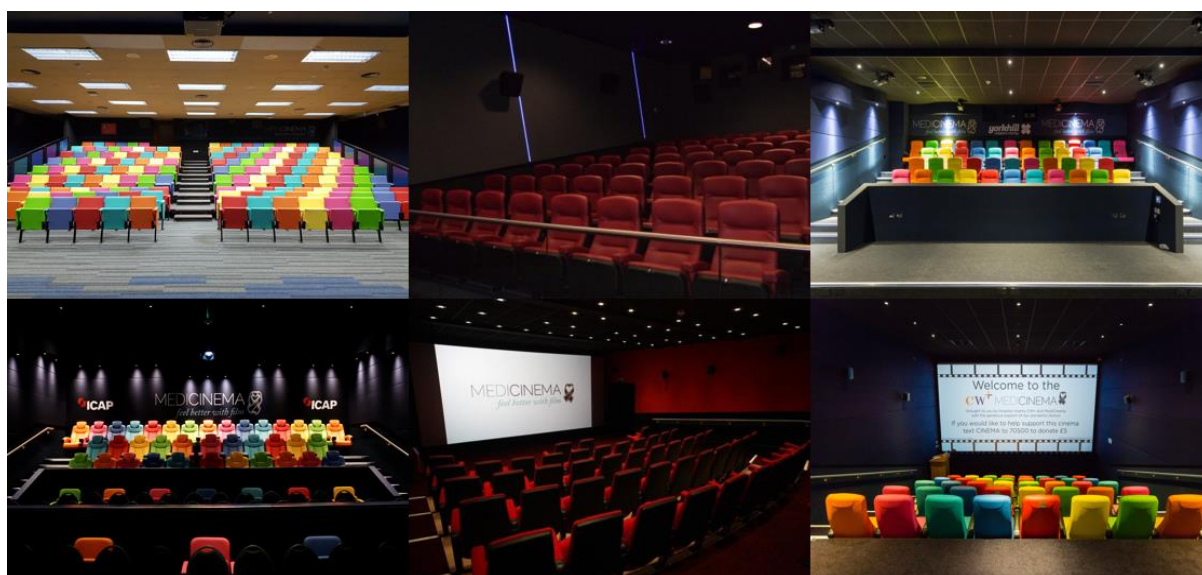
The accounts have been prepared in accordance with the accounting policies set out in Note 1 and comply with the charity's memorandum and articles of association, *the Charities Act 2011, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard application in the UK and Republic of Ireland (FRS 102)*.

### ***Our objectives and activities***

The object of MediCinema is the relief of sickness, infirmity and old age by providing cinematic and kindred entertainment in hospitals, hospices, residential establishments and other establishments of a similar nature; and the promotion of any other charitable purpose for the relief of sick, infirm or elderly patients or residents as the trustees shall from time to time think fit. The charity aims to enrich the quality of life in hospitals and places of care for patients young and old by screening, free of charge, current cinema releases in an on-site cinema, away from the ward.

We currently have six MediCinemas in the following locations:

- MediCinema at St. Thomas' Hospital, London
- MediCinema at the Royal Victoria Infirmary, Newcastle
- MediCinema at the Serennu Children's Centre, Newport
- The ICAP MediCinema at Guy's Hospital, London
- The Yorkhill MediCinema at Southern General Hospitals (Royal Hospital for Children & Queen Elizabeth University Hospital), Glasgow
- CW+ MediCinema at Chelsea and Westminster Hospital, London





MediCinemas are designed to accommodate wheelchairs and hospital beds to support as many patients as possible. Patients using the MediCinemas include those with drips and on respirators; those recovering from operations; undergoing chemotherapy or dialysis; and many, many more. As well as being looked after by our volunteers and cinema managers, patients receive constant medical care from our nurses who attend screenings throughout. Safeguarding and care are central to MediCinema's offering, and our resourcing arrangements reflect this.

Families and carers are welcome to attend alongside patients, ensuring that the cinema offers an opportunity for patients to escape the isolation of their wards and spend quality time with their loved ones outside of the medical setting, in the 'normal' activity of going to the cinema. If there is capacity at individual screenings NHS staff members are also welcome to attend. This is not only a benefit to staff but also a way to engage the hospital and promote the service.

Outside of the MediCinemas' use as a cinema, we work in partnership with the Hospital Trusts and partner organisations to ensure the best usage of the space throughout the year. This includes supporting medical teaching and training, clinical multi-disciplinary meetings, external and internal lectures and meetings, as well as other arts and entertainment activities as part of the non-clinical support of patients. While our cinemas are suspended due to COVID-19, we are proud that the spaces have instead been used to train staff and for staff wellness amongst other things.

MediCinema's work benefits all patients signed off by the medical staff as well enough to attend screenings under the care of the dedicated nurses, their families and carers. In addition, MediCinema has a wider benefit to carers, families and staff in our sites of operation, as well as to our own staff and volunteers. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance *Public Benefit: Running a Charity (PB2)*.

The trustees have considered these matters and concluded:

- 1) that the aims of the organisation continue to be charitable;
- 2) that the aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
- 3) that the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
- 4) that there is no detriment or harm arising from the aims or activities.

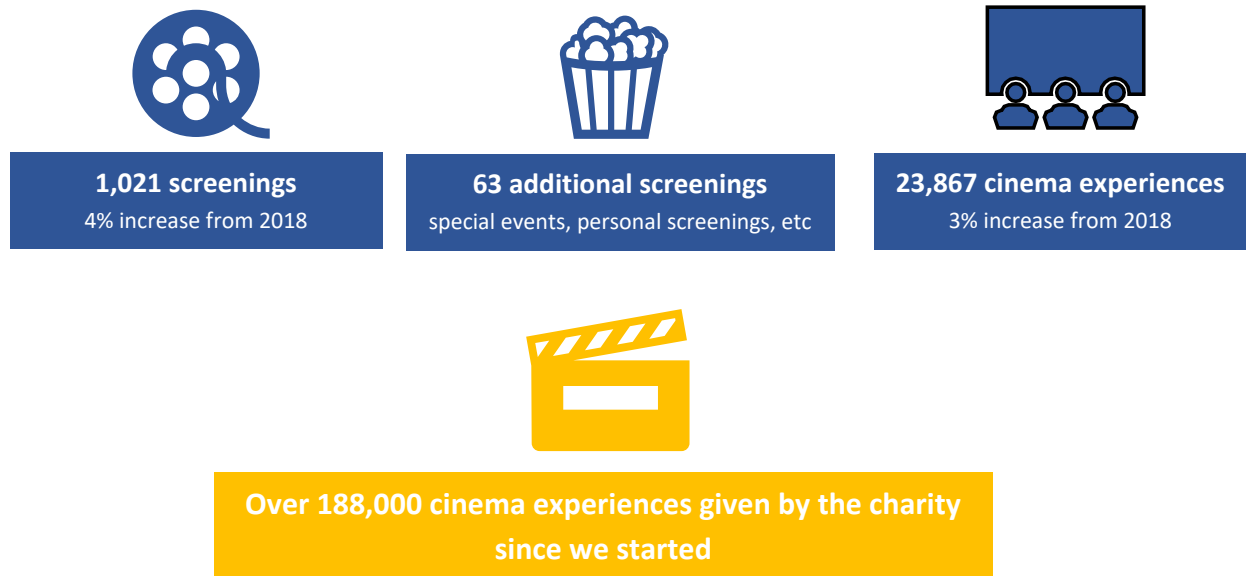


## ***Achievements and performance***

In 2019, we have continued to deliver excellent service and outcomes to our patients, their families and loved ones; we began work on the implementation of the 2018-2025 strategic plan which aims, over the next seven years, to double the scope and triple the reach of our service by 2025.

### **Supporting patients and their families through cinematherapy**

In 2019 we have achieved the following:



## ***Measuring our Impact***

2019 saw the continued roll out of our service evaluation framework, and in addition we completed our preliminary joint research work with strategic partners, The Walt Disney Company, Make a Wish Foundation, Great Ormond Street Hospital Children's Charity and Together for Short Lives to document both our individual theory of changes for the charities but also a central theory of change behind the areas of our work which coincide. This work was delivered by the New Economics Foundation and supported by The Walt Disney Company.

Three main findings were:

- 1) There are multiple pathways to emotional resilience depending on the context the family finds themselves in.
- 2) Interventions are successful because of a series of Moments that Matter with people who care. Consistency and trusting relationship-centred support helps bring about positive feelings and a sense of normality and belonging, which then contributes to building emotional resilience.
- 3) The Disney brand creates a bridge to enable people to build a trusting relationship with the service and those professionals and volunteers providing the support.



Specific MediCinema key findings were:

- **MediCinema provides a sensory and engaging experience;** escapism from medical environment, and an opportunity to bond for many children and their families.
- **Most of the families interviewed reported positive feelings, increased social interactions, and closer bonding between families as a direct result of attending MediCinema.** They also reported an increased sense of belonging and feelings of 'normality' every time they visit MediCinema.
- **Some families reported MediCinema has contributed to the children having an increased ability to cope with their illnesses and treatments as well as experiencing a better engagement with their health.** MediCinema enabled children to better comply with their treatments, provided stimulation, distraction from pain, and a reduction in negative feelings or anxiety levels, which supported children to cope better with their conditions. Some families reported their children having a much better response to their treatment and recovery than expected. One parent reported their daughter had a higher chance of remembering MediCinema despite her cognitive impairment and memory problems.
- **Families reported siblings experienced an increase in social interactions as well as increase in quality time between family members and friends.** This was through siblings watching Disney movies together, but also through finding common interests and enabling the siblings to talk about the films they had watched with one another.
- **Parents reported feeling resilient as a result of having some time dedicated to respite.** Some parents also reported a change in behaviour through introducing regular family times for their children, respite for themselves, as well as giving time through volunteering.
- **All families reported recalling positive memories on a regular basis ranging from every day to on a few days either on their own or with their family members and friends** leading to closer relationships with one another as well as enabling them to re-experience positive emotions all over again.



## ***The Difference We Make***

Our ongoing evaluation of the MediCinema service continues to demonstrate the value of the service across key indicators for patient and family wellbeing, and this is backed up by the testimonials we receive from patients, their families and clinicians across all our services.

### **Evaluation Results**

Our evaluation in 2019 evidenced that we achieve the following key outcomes:

**100%**

*Of attendees would  
recommend MediCinema  
to others*

**99%**

*Think MediCinema  
Reduces Boredom*

**99%**

*Of people think MediCinema  
makes a **Positive Difference**  
to their experience of the hospital*

**98%**

*Think MediCinema  
**Improves the Hospital**  
for patients, visitors and staff*

**95%**

*Of people think MediCinema  
makes a **Big or Massive Difference**  
to their experience of the hospital*

**96%**

*Think MediCinema  
gives a **Sense of Normality***

**95%**

*Think MediCinema **Increases  
Relaxation***

**92%**

*Think MediCinema  
**Increases Wellbeing***

**93%**

*Think MediCinema **Reduces  
Isolation***

**92%**

*Think MediCinema  
**Reduces Anxiety & Stress***

**92%**

*Think MediCinema **Increases  
Choice and Access to Different  
Activities***

**82%**

*Think MediCinema  
**Helps People  
Connect with Others***

**57%**

*Think  
MediCinema  
**Reduces Pain***



## Patient Stories

The stories our beneficiaries tell us about the difference we have made to them and their families' lives are just as important as the impact figures revealed in our surveys. Here are just a few from the many received throughout the year.

### Darach's Story



*"You're not that busy when you are in hospital with your child," said Fiona, Mum of Darach, a patient at Glasgow's Royal Infirmary. "You have far too much time to think and that amplifies all your fears. Once you're on it, it's difficult to get off the worry wheel, especially when you haven't had much sleep either; at times you don't have the mental stamina to stop the worrying. At MediCinema we can spend time together as a family, it breaks the monotony and takes everyone's mind off things."*

***When we think of health charities we tend to think of the big organisations that focus on the body and prevention of disease, but the mind is key to healing and recovery too. MediCinema does good things for the soul. Going to the cinema is something most people would take for granted but under these circumstances, it brought the greatest happiness to Darach and played a big part in his recovery. I think MediCinema really is the best thing in the hospital to help the children and we are so grateful to have benefited from it."***

### Fia's Story



Parents Lian and Matt told us: *"The whole MediCinema experience has just been so great for everyone's wellbeing For Flo and Freddie, it gives them a different picture of the hospital and a different picture of unwell children too.. Before Evelina and the MediCinema, we didn't have much contact with poorly children with complex needs – **here we can see the bigger picture in a safe, welcoming space.** They can see that they're not the only children in this position."*

*They had made friends with another boy on the ward, then they could come down to the cinema with him and sit with him too. It helps you all feel like part of a family while you're going through horrible things. It helps you all feel like part of a family while you're going through horrible things. But the most important thing is that MediCinema just makes things that little bit more positive. It gives you that will to keep going. I can say to my children: 'We've just got to make it until Wednesday, then we can go to the MediCinema.' It gives you hope, and everyone needs that little bit of hope, don't they?*

*In hospital, normally all we have to look forward to are things like seeing the doctor on Friday, but the **MediCinema** gives us something else to look forward to – some happiness. Somewhere where you can forget about the world for two hours and just smile and laugh and be together. Suddenly it doesn't matter if the doctor might have given you horrible news – nothing else in the world matters apart from watching that film and being with each other. Nothing else exists."*

### Ting's Story



In 2019 we continued to set up our personal screenings for patients unable to attend regular screenings, including special screenings for patients receiving end of life care. Ann, who attended St Thomas' with her son Ting, emphasised how their time together at MediCinema allowed them to create memories together at extraordinary difficult times:

*"It's a difficult position to put yourself in to try and understand how much the MediCinema makes to your whole wellbeing when you are in hospital, especially when you're terminally or seriously ill. It really is a lifeline that is so valuable to those who use it. I just want to say how*

*thankful me and Ting are for the time that we spent watching a very wide spectrum of films. I will never forget those quality nights we had in MediCinema, they are etched deep in my memory. Ting sadly died in March, he was brave and still funny right to the end."*

### Pollyanna's Story



*"When Pollyanna was in the Bubble she was in the room for around five weeks and being able to look forward to seeing a film when she was allowed to leave was amazing," her Mum Claudine told us. "Once she could leave the first thing she did was go to MediCinema. She was so excited to receive her magic ticket! Since that day, we were able to access MediCinema as a family on the*

*weekends and it was something wonderful to look forward to. We spent Christmas and New Year away from home, much to the disappointment of the girls, so seeing lovely Christmas films helped to alleviate sadness and sorrow. I remember watching "Mary Poppins Returns" and Pollyanna was not only counting the sleeps till the film, but has been singing the songs ever since!. One of the most memorable moments was when Pollyanna saw another child who looked like her in the MediCinema. Even though we were telling her that the other nine kids in the unit had no hair and wore masks and had nasogastric tubes in, she didn't believe us. It was quite special when she saw another child like her.*



## **Volunteer Support**

MediCinema continues to benefit from an expansive volunteer network which works alongside our paid staff (cinema managers and nurses at our in-hospital sites and technical assistant at the Serennu Centre) to collect patients from the wards, walk with them or push wheelchairs or beds, bring them to the cinema and then return them to their wards after the film. More importantly, volunteers put patients, who may be very anxious about leaving the ward, at ease and give patients the chance to talk about something completely unrelated to their condition. This social interaction is vital for patients and their families, especially patients who don't get many, if any, visitors.

***“We simply couldn’t deliver the MediCinema screening programme without the support of our incredible volunteers. It’s no mean feat to walk the wards and engage patients whilst ensuring their experience is positive and adds to their wellbeing.”***

**Steve, Interim Chief Executive Officer**



### ***Organisational Development***

As part of the ongoing work to strengthen the governance of the charity, two new Board members were recruited during the year. Dr Nick Lessof, a paediatrician at the Great Ormond Street Hospital for Children, joined as the Board lead for safeguarding, and Michael Burbidge, a Manager at Ernst and Young, with extensive experience of complex NHS health programme management and finance, joined as the Board treasurer.

Within the staff team, a number of new roles were originated and recruited. These included the establishment of a Director of Fundraising and a Director of Communications. In addition, the previous Operations Manager role was reconfigured as a Director level post thereby completing the assembly of the MediCinema executive team.

### ***New MediCinema Developments***

Drawing reference from the charity's published 2018-2025 growth strategy, work commenced to identify new sites for the development of MediCinema capabilities where they would have the most impact.

As a result of extensive consultation and negotiation across the NHS space, these key sites emerged:

#### **The Midland Metropolitan Hospital (Sandwell and West Birmingham NHS Hospitals Trust)**

A new acute general hospital, the Midland Metropolitan occupies a 6.5 hectares site in Smethwick near Birmingham. The hospital will have 670 beds and 15 operating theatre suites.

Consultative work with the Trust Executive, the Trust Charity and the Hospital Arts Committee has discussed a MediCinema capability that could open, subject to agreement, in 2022. This would be a significant step for MediCinema as it would be the charity's first capability in the West Midlands and in a geography with a sizable ethnic community. All of which will enable MediCinema to further demonstrate its progressive approach to community inclusion.

#### **The Royal Manchester Children's Hospital (Manchester University NHS Foundation Trust)**

A large and very busy children's hospital, the Royal Manchester has 371 paediatric beds and a further 60 neonatal cots in the adjacent tertiary neonatal unit of Saint Mary's Hospital.

The MediCinema would be sited above the entrance to the Hospital and would form part of a planned £15m reconfiguration of the entrance atrium to be completed in early 2023 which is when the MediCinema would open. This signature development would allow MediCinema to site its provision within a key paediatric hospital and to develop a long-term partnership with the Manchester Foundation Trust Charity.

## **Others**

Other substantive discussions have continued with:

- Sheffield Children's NHS Foundation Trust
- Wexham Park Hospital (Frimley Health NHS Foundation Trust)
- University Hospitals Bristol NHS Foundation Trust
- Great Ormond Street Hospital for Children
- The New Children's Hospital (NCH) Dublin

## **Engaging the NHS – Ensuring Sustainability**

Other ongoing work to raise the profile of MediCinema within the NHS and amongst key NHS decision makers has continued. This included specific work to align MediCinema's provision with the requirements of the NHS Long Term Plan including attendance at a number of NHS events such as the NHS Confed Expo in Manchester. In addition, MediCinema has continued to benefit from its partnership with the HSJ and was beneficiary of the 2019 HSJ Partnership Awards evening.

To further progress its work with the NHS, MediCinema engaged the health specific communications agency, InHealth Communications, to support representation at key conferences and partnership events during 2020. Given COVID-19, this has been put on hold at present.

## **MediCinema Italy**

Work continued to progress the MediCinema UK / Italy partnership through the exchange of information and best practice.

## **MediCinema Ireland**

The executive team and MediCinema's lawyers worked with the Irish counsel BryneWallace to establish MediCinema Ireland. This entity will be a registered Irish charity and company limited by guarantee.

The Board and Executive team will work to ensure that the three MediCinema capabilities of the UK, Italy and Ireland are aligned and that the group entity reflects an integrated brand and corporate character with patient safety and quality service provision at the core of the three nations where MediCinema is offered.



## Fundraising

### Fundraising Strategy

2019 saw the origination and application of a fundraising strategy designed to build on the foundation of twenty-years' of successfully delivering the very best in cinematic experiences for patients and their families.

At the end of 2019 we were midway through a two-year process to qualify our existing support networks, developing meaningful and proactive relationships with a range of donors and investors, while embedding the necessary account management resource required to nurture and advance the opportunities identified. In order to fund the long term strategic aims of the organisation alongside the immediate requirements of a challenging year ahead, MediCinema is working to diversify its income mix, focusing on those areas of activity which deliver both a high Return on Investment (RoI) and organisational sustainability.

### Corporate Partnerships

This year we successfully developed the Nationwide Preview Screenings (NPS) programme, delivering two activities - *Dora and the Lost City of Gold* and *Shaun the Sheep: Farmageddon* – which collectively generated over £167,000. In addition to raising valuable income, MediCinema worked with two distributors (Paramount and Studio Canal) for the first time and raised the profile of MediCinema across the industry.



Going into 2020, MediCinema was in dialogue with all eight major distributors and is positioning itself to delivering two further NPSs, with the possibility of a third if timings allow. This is an income line which is of particular significance to MediCinema and one that the organisation is keen to develop in the context of our broader strategy, ensuring that all corporate partners are delivering two income strands annually, with one being financial as a minimum and the other either financial or through Gifts in Kind (GIK).

## **Hospital Partners**

MediCinema continued to work to develop genuine and meaningful partnerships with its hospital partners through ongoing and joint collaborative work aimed at raising funds for the MediCinema capability at each site. In addition to the existing sites, MediCinema has worked extensively to begin the process of building long term hospital / partner charity relationships in prospective sites.

## **Individual Giving & Philanthropy**

The MediCinema advertisement that plays in cinemas has boosted awareness and led to a significant increase in individual giving in 2019. MediCinema will now work to grow its donor base and institute a scheme of work that will progress supporters through a donor development pathway that will maximise returns and lead to enhanced giving. We will achieve this through;

- Driving cold acquisition of new donors, in partnership with existing partners and film related publications
- Re-engineering the Red Carpet Club into a mid-value programme that rewards loyal supporters and enhances our relationships with industry partners
- Developing a specific philanthropic and high-net worth narrative that will significantly increase gifts made in favour of MediCinema

## **Trusts and Foundations**

Trust and Foundation income was down in 2019 reflecting a difficult marketplace and we are currently working on realigning our 2020 portfolio. All small trust applications, for £3,000 or less, are submitted by the fundraising volunteer who is supported by the wider MediCinema fundraising team.

## **Fundraising Practice and Regulation**

We communicate with our supporters via email, mail and phone calls where appropriate, engaging them with invitations to patient screenings and events. We recruit new supporters via an advert that plays in cinemas and through our association with various corporate partners, who promote our cause to their customers. We also utilise our social channels and general publicity of our work and initiatives to encourage people to become supporters, through donating or volunteering. Our main income streams are individual giving, corporate and trusts & foundations, with a developing capability in philanthropy fundraising, through developing mutually beneficial relationships with supporters. We also raise funds through community, challenge event, in memoriam and legacy activity.

MediCinema is registered with the Fundraising Regulator and seeks to adhere to its principles published in the Fundraising Code of Practice at all times when undertaking fundraising from the public. This includes being legal, open, honest, and respectful, and ensuring that no one who appears to be vulnerable is asked to commit to giving. We have a complaints policy published and received a total of 0 complaints, none of which were escalated to the Fundraising Regulator.

### ***The impact of the COVID-19 pandemic***

At the time of sign off for these accounts, the world is in the midst of a global pandemic which has and will redraw the shape of our lives, healthcare and economies.

The key impacts for the charity are in operations (where the cinema service has been suspended and we are finding new ways of meeting the very real needs of our patients), development of new sites (which has been put on hold while hospitals focus on the immediate need of managing the pandemic) and fundraising.

One element of our funding relies on the generosity of the cinema-going public donating, and with no cinemas open this income stream has fallen drastically. Robust financial planning has been undertaken and a refocusing of our fundraising, which will focus more on individual giving and philanthropy, with a number of public appeals planned. This will be a very challenging year to navigate, for the country as a whole and for us as a charity. But, we are confident that MediCinema remains an impactful going concern.







## FINANCIAL REVIEW

	2019	2018
<b>Income</b>	<b>£ 1,203,566</b>	£ 980,573
<i>Of which, Gifts in kind (head office rental cost, legal advice, license and logistics of films)</i>	<b>£ 165,321</b>	£ 159,794
<b>Expenditure</b>	<b>£ 1,142,404</b>	£ 857,220
<b>Surplus / deficit</b>	<b>£ 61,162</b>	£ 123, 353
<b>Total fixed assets</b>	<b>£719,511</b> (at 31 December 2019)	£814,251 (at 31 December 2018)
<b>Overall assets</b>	<b>£1,295,774</b>	£1,234,612

### ***Investment powers and policy***

Aside from retaining a prudent amount in reserves each year most of the charity's funds are to be spent in the short term so there are few funds for long term investment with the exception of those raised for new MediCinema installations. All funds are remitted to MediCinema head office and held in a Coutts deposit account.

### ***Reserves policy and going concern***

It is the policy of the charity that the level of free reserves (those not tied up in fixed assets and designated and restricted funds) should be maintained at a level equivalent to three months' expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. At 31 December 2019 free reserves totalled £497,755 (against 3 months' operating costs going into 2020 of £220,000). This includes funds that were designated in 2018 but, in light of the COVID-19 pandemic, have been released to support the financial health of the organisation through this challenging year.

The trustees have reviewed the circumstances of the charity, its fundraising, financial and cash flow plans, and consider that adequate resources continue to be available to fund the activities of the charity for the foreseeable future. Its cost base has been reviewed and, where possible without affecting service delivery, reduced. The trustees are of the view that the charity is a going concern.

### ***Governance and Management***

#### **Governing Document**

The organisation is a charitable company limited by guarantee, incorporated on June 10 1996 and registered as a charity on September 23 1996. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed

under its Articles of Association. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

### **Appointment of trustees**

As an arts-in-health charity whose work focuses on a broad range of people, the directors seek to ensure that the trustee body is representative and includes members with the relevant skills. The Board consists of members from the film industries as well as members of the medical community.

### **Trustee induction and training**

New Trustees are similarly familiarised with MediCinema and its work and also provided with an induction pack including copies of the main charity documents, latest accounts, strategy document outlining future plans and objectives and a copy of the Commission's guide 'The Essential Trustee'.

Trustees, already familiar with the practical work of the charity, are encouraged to visit the original MediCinema at St Thomas' Hospital from time to time and other MediCinemas as they open.

### **Organisation**

The trustees meet four times a year and are responsible for the strategic direction and policy of the charity, a scheme of delegation is in place and day-to-day management rests with the Chief Executive who is responsible for ensuring that the charity delivers the services specified.

### **Related parties**

None of our trustees receive remuneration or other benefit from their work with the charity. Kevin Styles is Group MD of Vue Entertainment, which supported the charity through customer donations on Vue tickets and as part of our industry-wide NPS initiatives; Crispin Lilly is CEO of Everyman, who supported the charity as part of the NPS initiatives.

### **Pay policy for senior staff**

The Directors consider the Board of Directors, who are the charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give their time freely and no trustees received remuneration in the year. No trustees received payment for expenses in the year.

The pay of senior staff is reviewed annually and against responsibilities, duties and performance as well as the financial position of the charity. In view of the nature of the charity, the Directors benchmark against pay levels in other charities of a similar nature, scope, size and ambition. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting for any additional responsibilities. If recruitment has proven difficult in the recent past a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.



## **Risk management**

The trustees have reviewed the major risks to which the charity is exposed. A risk register has been established which is updated annually. Where appropriate, systems or procedures have been established to mitigate the risks across the key areas of Operations, Fundraising, Infrastructure and Roll-Out and these are periodically reviewed to ensure that they continue to meet the needs of the charity.

The main immediate risks presented to the charity relates to the impact and potential impact of the COVID-19 pandemic.

The primary risk is financial, given the reduction in funding anticipated. Costs have been immediately reduced as far as possible, the cinema staff furloughed, and the fundraising plan has been refocused.

Secondary risk is related to the safety of patients, volunteers and staff, and the trustees are confident that measures in place and approaches related to the temporary closure of the cinemas and the moving of all office staff to working from home, as well as advice shared, mitigate these risks and have provided the protection required for our people. The charity will continue to work closely with all its hospital and healthcare partners to assess when and how a reinstatement of the cinema service may be achieved, and are planning on a minimum of 5.5 months shutdown for the services. This continues to be reviewed.

A further risk is to our patients themselves in terms of the loss of service, and the charity has worked incredibly hard with all its partners to establish a free bedside service to patients through this time. This is augmented where possible by activities and entertainment, and through social media to encourage the continuation of the sharing of the experience of film and all the benefits we know that brings.

### ***Trustees' responsibilities in relation to the financial statements***

The charity trustees (who are also the directors of MediCinema for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with application law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application resources. In preparing the financial statements, the trustees 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 application UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

***Statement as to disclosure to our auditors***

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees on 16 July 2020

P Massara  
Chair







## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICINEMA

### Opinion

We have audited the financial statements of MediCinema (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 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
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

### 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 charitable 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 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

## 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 trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

## Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if



such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 auditor's 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.

Joanna Pittman (Senior statutory auditor)

6 August 2020

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



# MediCinema

## Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<b>Income from:</b>							
Donations and legacies	2	707,337	469,575	1,176,912	370,811	498,822	869,633
Charitable activities							
Other trading activities	3	25,800	–	25,800	110,800	–	110,800
Investments	4	854	–	854	140	–	140
Other		–	–	–	–	–	–
<b>Total income</b>		<b>733,991</b>	<b>469,575</b>	<b>1,203,566</b>	<b>481,751</b>	<b>498,822</b>	<b>980,573</b>
<b>Expenditure on:</b>							
Raising funds	5	253,493	–	253,493	163,329	–	163,329
Charitable activities							
Operation of Cinemas	5	326,751	562,160	888,911	124,815	569,076	693,891
Other		–	–	–	–	–	–
<b>Total expenditure</b>		<b>580,244</b>	<b>562,160</b>	<b>1,142,404</b>	<b>288,144</b>	<b>569,076</b>	<b>857,220</b>
<b>Net income / (expenditure) for the year</b>	6	<b>153,747</b>	<b>(92,585)</b>	<b>61,162</b>	<b>193,607</b>	<b>(70,254)</b>	<b>123,353</b>
Transfers between funds		(4,880)	4,880	–	(1,455)	1,455	–
<b>Net movement in funds</b>		<b>148,867</b>	<b>(87,705)</b>	<b>61,162</b>	<b>192,152</b>	<b>(68,799)</b>	<b>123,353</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		348,888	885,724	1,234,612	156,736	954,523	1,111,259
<b>Total funds carried forward</b>		<b>497,755</b>	<b>798,019</b>	<b>1,295,774</b>	<b>348,888</b>	<b>885,724</b>	<b>1,234,612</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16a to the financial statements.





**As at 31 December 2019**

	Note	£	2019 £	£	2018 £
<b>Fixed assets:</b>					
Tangible assets	11		<u>719,511</u>		<u>814,251</u>
			<b>719,511</b>		<b>814,251</b>
<b>Current assets:</b>					
Debtors	12	242,670		103,468	
Cash at bank and in hand		<u>398,909</u>		<u>419,812</u>	
		<b>641,579</b>		<b>523,280</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	<u>(65,316)</u>		<u>(102,919)</u>	
<b>Net current assets</b>			<b>576,263</b>		<b>420,361</b>
<b>Total net assets</b>			<b><u>1,295,774</u></b>		<b><u>1,234,612</u></b>
<b>The funds of the charity:</b>					
Restricted income funds	16a		<b>798,019</b>		<b>885,724</b>
Unrestricted income funds:					
Designated funds		–		120,792	
General funds		<u>497,755</u>		<u>228,096</u>	
Total unrestricted funds			<b>497,755</b>		<b>348,888</b>
<b>Total charity funds</b>			<b><u>1,295,774</u></b>		<b><u>1,234,612</u></b>

Approved by the trustees on 16 July 2020 and signed on their behalf by

Paul Massara  
Chair







## Statement of cash flows

For the year ended 31 December 2019

	Note	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net income for the reporting period (as per the statement of financial activities)		61,162		123,353	
Depreciation charges		99,620		109,678	
Dividends, interest and rent from investments		(854)		(140)	
Disposal of investment		–		2	
(Profit)/loss on the disposal of fixed assets		–		–	
(Increase)/decrease in debtors		(139,202)		(33,753)	
Increase/(decrease) in creditors		(37,603)		66,592	
<b>Net cash (used in) / provided by operating activities</b>		<b>(16,877)</b>		<b>265,732</b>	
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		854		140	
Purchase of fixed assets		(4,880)		(4,931)	
<b>Net cash used in investing activities</b>		<b>(4,026)</b>		<b>(4,791)</b>	
<b>Change in cash and cash equivalents in the year</b>		<b>(20,903)</b>		<b>260,941</b>	
Cash and cash equivalents at the beginning of the year		419,812		158,871	
<b>Cash and cash equivalents at the end of the year</b>	a	<b>398,909</b>		<b>419,812</b>	
<b>Analysis of cash and cash equivalents and of net debt</b>					
		At 1 January 2019 £	Cash flows £	Other non- cash changes £	At 31 December 2019 £
Cash at bank and in hand		419,812	(20,903)		398,909
<b>a Total cash and cash equivalents</b>		<b>419,812</b>	<b>(20,903)</b>		<b>398,909</b>

**1 Accounting policies**

**a) Statutory information**

MediCinema is a charitable company limited by guarantee and is incorporated in United Kingdom.

The registered office address is Conybeare House, Guy's Hospital, London, SE1 9RT

**b) Basis of preparation**

The financial statements have been prepared in accordance with 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 2015) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**c) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity 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 that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of running the cinemas and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

● Operation of cinemas	68.70%
● Fundraising	25.95%
● Governance costs	5.35%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

● Operation of cinemas	72.58%
● Fundraising	27.42%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.



1 Accounting policies (continued)

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Cinema installations 25 years
- Fixtures and fittings 4 or 10 years
- Equipment 5 years

p) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

s) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

u) Pensions

Pension contributions are made by the company in respect of employees' individual personal money purchase pension schemes. The assets of the fund are held separately from those of the charitable company which has no liability under the scheme other than for the payment of contributions.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Individual Donations and Gift Aid	144,200	25,986	170,186	82,403	13,346	95,749
Corporate Donations	553,257	47,167	600,424	254,944	39,362	294,306
Grants	9,880	231,101	240,981	33,469	286,315	319,784
Gifts in kind	-	165,321	165,321	-	159,794	159,794
	<u>707,337</u>	<u>469,575</u>	<u>1,176,912</u>	<u>370,811</u>	<u>498,822</u>	<u>869,633</u>

Gifts in kind represent legal services, office rental and film delivery costs.

3 Income from other trading activities

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Fundraising events	25,800	–	25,800	110,800	–	110,800
	25,800	–	25,800	110,800	–	110,800

4 Income from investments

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Interest receivable	854	–	854	140	–	140
	854	–	854	140	–	140

## 5a Analysis of expenditure (current year)

	<u>Charitable activities</u>					
	Raising funds £	Running cinemas £	Governance costs £	Support costs £	2019 Total £	2018 Total £
Staff costs (Note 7)	125,696	332,716	25,909	25,264	509,585	309,889
Nurses cost	–	123,644	–	–	123,644	112,938
Direct cinema costs	–	41,759	–	–	41,759	–
Fundraising costs	95,217	–	–	–	95,217	87,037
Communication costs	–	39,613	–	–	39,613	–
Finance	–	–	–	21,613	21,613	11,768
IT	–	–	–	3,346	3,346	6,812
General office	–	–	–	34,286	34,286	17,666
Governance	–	–	8,400	–	8,400	6,550
Depreciation	–	99,620	–	–	99,620	109,677
Gifts in kind	–	165,321	–	–	165,321	159,794
	220,913	802,673	34,309	84,509	1,142,404	822,131
Support costs	21,933	58,056	4,520	(84,509)	–	–
Governance costs	10,647	28,182	(38,829)	–	–	–
<b>Total expenditure 2019</b>	<b>253,493</b>	<b>888,911</b>	<b>–</b>	<b>–</b>	<b>1,142,404</b>	
<b>Total expenditure 2018</b>	<b>163,329</b>	<b>693,891</b>	<b>–</b>	<b>–</b>		<b>822,131</b>



MediCinema

Notes to the financial statements

For the year ended 31 December 2019

5b Analysis of expenditure (prior year)

	Raising funds £	Operation of Cinemas £	Governance costs £	Support costs £	2018 Total £
Staff costs (Note 7)	64,610	233,739	11,540	–	309,889
Nurses cost		112,938			112,938
Direct costs	87,037	35,089	–	–	122,126
Depreciation	–	109,677	–	–	109,677
Governance	–	–	6,550	–	6,550
Finance	–	–	–	11,768	11,768
IT	–	–	–	6,812	6,812
General office	–	–	–	17,666	17,666
Gifts in kind	–	159,794	–	–	159,794
	151,647	651,237	18,090	36,246	857,220
Support costs	7,793	28,453	–	(36,246)	–
Governance costs	3,889	14,201	(18,090)	–	–
<b>Total expenditure 2018</b>	<b>163,329</b>	<b>693,891</b>	<b>–</b>	<b>–</b>	<b>857,220</b>
Total expenditure 2017	99,409	639,073	–	–	

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	99,620	109,677
Auditor's remuneration (excluding VAT):		
Audit	7,000	6,550
Other services	-	-

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	453,951	279,022
Social security costs	43,120	23,570
Employer pension contributions	12,514	7,297
	509,585	309,889

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019 No.	2018 No.
£60,000 – £69,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £259,097 (2018: £115,401).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 14 (2018: 11).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2019 No.	2018 No.
Raising funds	3.0	2.0
Operation of Cinemas	11.0	6.0
	14.0	8.0

9 Related party transactions

MediCinema is delighted to have received donations totalling £328,599 (2018 –£38,012) from Vue Entertainment Limited. Kevin Styles, a trustee and Managing Director of Vue International, provided his advice and support to develop this partnership.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Cinema installations £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At the start of the year	1,032,779	358,836	326,656	1,718,271
Additions in year	–	924	3,956	4,880
At the end of the year	1,032,779	359,760	330,612	1,723,151
<b>Depreciation</b>				
At the start of the year	395,429	241,197	267,394	904,020
Charge for the year	41,090	34,663	23,867	99,620
At the end of the year	436,519	275,860	291,261	1,003,640
<b>Net book value</b>				
<b>At the end of the year</b>	596,260	83,900	39,351	719,511
At the start of the year	637,350	117,639	59,262	814,251

All of the above assets are used for charitable purposes.

12 Debtors

	2019 £	2018 £
Trade debtors	78,630	40,295
Prepayments and accrued income	164,040	63,173
	242,670	103,468

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	20,488	18,470
Taxation and social security	12,675	11,995
Other creditors	2,699	1,264
Accruals and deferred income	29,454	71,190
	65,316	102,919

14 Deferred income

Deferred income comprises amounts received in 2018 relating to 2019

	2019 £	2018 £
Balance at the beginning of the year	51,000	–
Amount released to income in the year	(51,000)	–
Amount deferred in the year	–	51,000
Balance at the end of the year	–	51,000

15a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	–	719,511	719,511
Net current assets	497,755	–	78,508	576,263
Net assets at 31 December 2019	497,755	–	798,019	1,295,774

15b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	–	814,251	814,251
Net current assets	228,096	120,792	71,473	420,361
Net assets at 31 December 2018	228,096	120,792	885,724	1,234,612



## 16a Movements in funds (current year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
<b>Restricted funds:</b>					
Royal Victoria Infirmary, Newcastle	4,211	20,834	(17,652)	–	7,393
Chelsea and Westminster Hospital	4,139	73,894	(75,988)	–	2,045
Southern General Hospital Glasgow	26,530	49,422	(61,654)	–	14,298
Serennu Children's Centre	–	14,312	(14,312)	–	–
St Thomas's Hospital	–	55,687	(45,915)	–	9,772
Guy's Hospital	–	55,105	(45,105)	–	10,000
Strategic grant	36,593	–	(36,593)	–	–
Capital fund	–	35,000	–	–	35,000
Gifts in kind	–	165,321	(165,321)	–	–
Fixed Assets	814,251	–	(99,620)	4,880	719,511
<b>Total restricted funds</b>	<b>885,724</b>	<b>469,575</b>	<b>(562,160)</b>	<b>4,880</b>	<b>798,019</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Strategic Development	120,792	–	–	(120,792)	–
<b>Total designated funds</b>	<b>120,792</b>	<b>–</b>	<b>–</b>	<b>(120,792)</b>	<b>–</b>
<b>General funds</b>	<b>228,096</b>	<b>733,992</b>	<b>(580,245)</b>	<b>115,912</b>	<b>497,755</b>
<b>Total unrestricted funds</b>	<b>348,888</b>	<b>733,992</b>	<b>(580,245)</b>	<b>(4,880)</b>	<b>497,755</b>
<b>Total funds</b>	<b>1,234,612</b>	<b>1,203,567</b>	<b>(1,142,405)</b>	<b>–</b>	<b>1,295,774</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.

## 16b Movements in funds (prior year)

	At 1 January 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2018 £
<b>Restricted funds:</b>					
St Thomas's Hospital	4,428	53,702	(58,130)	-	-
DMRC Headley Court	-	17,349	(17,349)	-	-
Royal Victoria Infirmary, Newcastle	-	25,911	(21,196)	(504)	4,211
Serennu Childrens' Centre	-	17,866	(17,866)	-	-
Guy's Hospital	3,762	53,297	(56,176)	(883)	-
Chelsea and Westminster Hospital	-	67,624	(63,485)	-	4,139
Southern General Hospital Glasgow	27,335	65,689	(64,405)	(2,089)	26,530
Strategic grant	-	37,590	(997)	-	36,593
Fixed Assets	918,998	-	(109,678)	4,931	814,251
Gifts in kind	-	159,794	(159,794)	-	-
<b>Total restricted funds</b>	<b>954,523</b>	<b>498,822</b>	<b>(569,076)</b>	<b>1,455</b>	<b>885,724</b>
<b>Unrestricted funds:</b>					
Designated funds	-	-	-	120,792	120,792
<b>General funds</b>	<b>156,736</b>	<b>481,751</b>	<b>(288,144)</b>	<b>(122,247)</b>	<b>228,096</b>
<b>Total unrestricted funds</b>	<b>156,736</b>	<b>481,751</b>	<b>(288,144)</b>	<b>(1,455)</b>	<b>348,888</b>
<b>Total funds</b>	<b>1,111,259</b>	<b>980,573</b>	<b>(857,220)</b>	<b>-</b>	<b>1,234,612</b>

**Purposes of restricted funds**

The restricted funds relate to grants and income and expenditure for the operational cost of each MediCinema.

Grants and income received to contribute towards the running costs of the MediCinema at Royal Infirmary Hospital, Newcastle:

	2019 £	2018 £
Children in Need	12,909	10,119
Rothley Trust	1,500	-
British Board of Film Classification	-	5,506
Souter Foundation	-	2,000
Hadrian Trust	2,000	2,000
Other small grants and individual donations	4,424	6,286
	<b>20,833</b>	<b>25,911</b>

Grants and income received to contribute towards the running costs of the CW+ MediCinema at Chelsea and Westminster Hospital:

	2019 £	2018 £
CW+	55,958	37,582
Children in Need	12,319	19,785
Saturday Hospital Fund	5,000	8,892
Other small grants and individual donations	617	1,365
	<b>73,894</b>	<b>67,624</b>

Purposes of restricted funds (continued)

Grants and income received to contribute towards the running costs of the MediCinema at Southern General, Glasgow:

	2019 £	2018 £
Glasgow Children's Hospital Charity	27,238	53,063
Merchant House of Glasgow	2,500	-
Schuh	2,500	-
Kilpatrick Fraser Charitable Trust	2,845	1,845
Hugh Fraser Foundation	-	4,000
Other small grants and individual donations	14,339	6,781
	<u>49,422</u>	<u>65,689</u>

Grants and income received to contribute towards the running costs of the Serennu Childrens' Centre:

	2019 £	2018 £
Sparkle	14,312	12,262
Aneurin Bevan University Health Board	-	2,144
D'Oyly Carte Charitable Trust	-	3,460
	<u>14,312</u>	<u>17,866</u>

Grants and income received to contribute towards the running costs of the MediCinema at St Thomas's Hospital:

	2019 £	2018 £
Guy's and St Thomas's Charity	45,105	46,496
BBFC	-	5,506
Other small grants and individual donations	10,582	1,700
	<u>55,687</u>	<u>53,702</u>

Grants and income received to contribute towards the running costs of the MediCinema at Guy's Hospital:

	2019 £	2018 £
Guy's and St Thomas's Charity	45,105	46,496
Real D	10,000	-
BBFC	-	5,506
Other small grants and individual donations	-	1,295
	<u>55,105</u>	<u>53,297</u>

The strategic grant was received from 20th Century Fox to support MediCinema in developing their communications and marketing team.

The capital fund is income to fund the development of future MediCinemas.

Purposes of designated funds

In 2018 the Trustees designated funds to be used for the strategic development of new cinema sites.

20    Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.



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