



Midlands Arts Centre Report and Financial Statements for the year 2003-2004



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Midlands Arts Centre

Report and Financial Statements for the year ended
28 March 2004

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Officers and Other Information

Directors and Trustees	The Directors and Trustees are listed on p4
Secretary	E Hart
Registered Company number	718349
Registered Charity number	528979
Registered Office	Cannon Hill Park Birmingham B12 9QH
Bankers	HSBC plc 130 New Street Birmingham B2 4JU
Auditors	Clement Keys Chartered Accountants 39/40 Calthorpe Road Birmingham B15 1TS

Chair's Report 2003/2004

Birmingham is a uniquely diverse and forward-looking city, and **mac** both reflects that identity and plays a strong part in its development for the future. Since its inception 40 years ago, **mac** has developed a strong reputation as an accessible home for the cream of contemporary arts. By working across a broad range of artforms and always seeking to reflect the diversity of the region we serve, we have succeeded in creating a genuinely groundbreaking arts centre where people of all ages, cultural and racial groups, and levels of income, feel equally welcome and involved in what we do.

mac depends on the support of a broad constituency of collaborators, many of whom have been involved with **mac** since its earliest days. Arts Council England and Birmingham City Council remain our largest financial supporters as well as providing us with constant advice and practical help. Screen West Midlands continues to provide enabling funding for our cinema programme, which has weathered the storm of increased competition in the region, and is now thriving as the last independent cinema in Birmingham.

This year we have also received crucial and greatly appreciated financial support from trusts and foundations. The full list is included in our Annual Report, but I must give particular thanks to the Roughley and Bryant Trusts for once again giving substantial donations to support **mac**'s work in 2003/04, which builds on the generous support they have given to **mac** since our earliest years.

As well as financial support, we are as ever bolstered by our partnerships and collaborations. Uppermost of these is of course our relationship with **sampad**. **sampad** was born at **mac** in 1991, and has been based here ever since. Our teams regularly collaborate on artistic projects, which help us both to reach out to the whole region and increasingly beyond. In recent years our partnership has become even closer as we have embarked on our joint plans for the £20million **mac/sampad** Building Project.

In October 2003 we were grateful to receive a grant of £250,000 from the European Regional Development Fund to undertake detailed feasibility work for our Building Project. Following on from that report we received an award of £5million from Arts Council England to support the Building

Project, and we look forward to working together ever more closely with them, Birmingham City Council and **sampad** as our ambitious plans for the future of **mac** come to fruition.

A substantial part of **mac**'s income is of course generated by ticket sales. We are enormously grateful for the continued support of our audiences and participants, and we are pleased to note that attendance has grown once again this year.

2003/04 has been a highly successful year for **mac** as a business. Once again we have demonstrated that we have a robust and healthy operation, living within our means and managing to generate a small surplus, and to retain small capital reserves. As we reach our 40th anniversary, we do so in a sturdy financial position. This strength also has an impact on the community around us: it is estimated that **mac** economic impact for the region was in excess of £11.8million in the past year, and our Building Project will provide room for growth in this area.

I would like to take this opportunity to thank my fellow trustees on the **mac** Board for their commitment over the past year, and on their behalf to thank **mac**'s staff, artists, associates and collaborators for their hard work and success in 2003/04. As we enter a momentous period in the development of a **mac** fit for the future, I am delighted that we have created such a firm foundation from which to start.

Anita Bhalla

27 September 2004

Directors' and Trustees' Report

The Directors present their Annual Report together with the Financial Statements for the year ended 28 March 2004.

Principal Activities and Review of Year

Midlands Arts Centre (also known as **mac**), a company limited by guarantee and registered as a charity, is governed by its memorandum and articles of association. **mac** continued to operate in accordance with its charitable objectives by the production, promotion, education in and appreciation of the arts. In doing so it sought to serve the needs of, and provide opportunities for all sections of the community including young people, people with special needs, those culturally disadvantaged and minority groups.

The net outgoing resources for the year amounted to £49,608 (2003 net outgoing £157,015) and the movement on general, designated and restricted funds is shown on the consolidated statement of financial activities.

A full review of the financial performance of the year and of future prospects is set out in the Chair's Report on page 2.

Midlands Arts Centre Trading Limited is the trading subsidiary. Its principle activity is providing catering services from **mac**'s premises.

Directors

During the year under review, the following individuals served on the Board of Directors:

Viv Astling
Anita Bhalla (Chair)
Claire Cochrane
Rod Dungate
Nicola Hart (resigned 27 November 2003)
Andrew Howell
David Hull (resigned 20 June 2003)
Charles Hutchings (appointed 26 January 2004)
Mary Martin
Bryan Nott
Wanjiku Nyachae
Roger Shannon
Shailla Sharif (appointed 26 January 2004)
John Smith
Natalie Wint (appointed 26 January 2004)

Viv Astling, Mary Martin, Roger Shannon and Wanjiku Nyachae will retire by rotation at the AGM and being eligible offer themselves for re-election.

All directors of the company are trustees of the charity.

Members of the Board are elected at general meeting. The Board has authority to fill vacancies arising during the year. Up to

three members of the Board can be nominated by Birmingham City Council.

The company maintains an indemnity insurance for its directors and officers.

Organisation

The Board of Directors meets on a regular basis. The directors delegate the day-to-day running of the company to the Chief Executive who is assisted by a management team.

Risk Management

A risk analysis has been conducted of the financial operations of **mac**. As part of **mac**'s ongoing work, a comprehensive risk analysis of the whole company will be undertaken, with appropriate actions identified. A further risk analysis is planned in respect of **mac**'s capital development programme.

Reserves Policy

The reserves of the charity have been divided into Restricted, Designated and General funds in accordance with charity legislation.

The Restricted fund represents money given to **mac** for specific capital and project work. The balance as of 28 March 2004 of £1,679,386 is made up of a deficit of £104,115 in respect of a capital development project, £1,580,650 capital grants and donations in respect of buildings, improvements to buildings and assets belonging to **mac** to be funded over their expected lifespan, and £202,851 grants and donations received in respect of specific arts projects. In addition there is a deficit on the capital development as costs have been incurred in advance of funding.

The Designated funds represent sums that the Trustees have approved to be set aside for capital and project work that has a projected lifespan in excess of a single financial year. The balance as at 28 March 2004 is £16,865.

The Trustees' policy in respect of the monies held in the General fund is influenced by:

- Forecast of levels of income in the ensuing year
- Forecast for expenditure in the ensuing year on the basis of planned activity
- An analysis of any future needs, opportunities, contingencies and risks, the effects of which are not likely to be met from planned expenditure.

Trustees' Responsibilities

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are responsible and prudent;
- state whether applicable 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 group will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any given time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



A Bhalla
Chair



E Hart
Secretary

27 September 2004

Independent Auditors' Report to the Members of Midlands Arts Centre

We have audited the financial statements for the year ended 28 March 2004 set out on pp7 to 16 and which comprise the Consolidated Statement of Financial Activities, the company and group Balance Sheet, the Consolidated Cashflow Statement and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are requested 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The trustees (who are also the directors of Midlands Arts Centre for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards as set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1995. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity and group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity and group is not disclosed.

We read other information contained in the trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

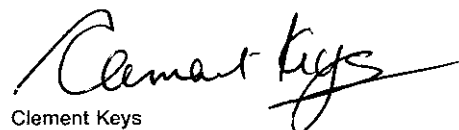
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant

estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's and group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's and group's affairs as at 28 March 2004 and of the group's incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Clement Keys
Chartered Accountants and Registered
Auditor
Birmingham

27 September 2004

Consolidated Statement of Financial Activities

for the year ended 28 March 2004

		2004				2003
	Notes	Unrestricted		Restricted	Total	Total
		General	Undesignated			
		£	£	£	£	£
INCOME AND EXPENDITURE						
INCOMING RESOURCES						
Donations, legacies and other similar incoming resources	2	1,293,068	-	259,541	1,552,609	1,132,465
Activities in furtherance of charitable objectives						
Community fund grant		-	-	476,917	476,917	91,048
Income from arts activities		1,092,897	-	-	1,092,897	909,532
Project Grants	3	-	-	222,698	222,698	124,973
Activities for generating funds						
Commercial trading operations	4	649,334	-	-	649,334	663,269
Bank interest receivable		4,979	-	-	4,979	18,127
Total incoming resources		3,040,278	-	959,156	3,999,434	2,939,414
Less cost of generating funds						
Commercial trading operations	4	(524,643)	-	-	(524,643)	(515,899)
Net incoming resources available for charitable application		2,515,635	-	959,156	3,474,791	2,423,515
CHARITABLE EXPENDITURE						
Cost of activities in furtherance of charitable objectives	5					
Arts activities		936,018	7,100	276,377	1,219,495	1,456,571
Support costs		891,075	-	786,333	1,677,408	438,094
Management and administration	7	627,496	-	-	627,496	685,865
Total charitable expenditure		2,454,589	7,100	1,062,710	3,524,399	2,580,530
Total resources expended	8	2,979,232	7,100	1,062,710	4,049,042	3,096,429
Net movement in funds - net income/(expenditure) for the year		61,046	(7,100)	(103,554)	(49,608)	(157,015)
Transfer between funds		(24,640)	-	24,640	-	-
		36,406	(7,100)	(78,914)	(49,608)	(157,015)
Total funds forward		166,596	23,965	1,758,300	1,948,861	2,105,876
Total funds carried forwards		203,002	16,865	1,679,386	1,899,253	1,948,861

All activities of the group are continuing

The group has no recognised gains and losses other than the deficit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the deficit on normal activities and the deficit for the year stated above, and their historical cost equivalent.

Balance Sheet

as at 28 March 2004

	Notes	Consolidated		Company	
		2004	2003	2004	2003
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	9	1,817,167	1,906,500	1,817,167	1,906,500
Investment in subsidiary undertaking	10	-	-	100	100
		<u>1,817,167</u>	<u>1,906,500</u>	<u>1,817,267</u>	<u>1,906,600</u>
CURRENT ASSETS					
Stocks	11	10,922	9,626	-	-
Debtors	12	317,354	202,148	345,062	249,554
Cash at bank and in hand		<u>188,557</u>	<u>291,880</u>	<u>154,151</u>	<u>203,614</u>
		<u>516,833</u>	<u>503,654</u>	<u>499,213</u>	<u>453,168</u>
CREDITORS					
Amounts falling due within one year	13	<u>434,747</u>	<u>461,293</u>	<u>417,227</u>	<u>410,907</u>
NET CURRENT ASSETS		<u>82,086</u>	<u>42,361</u>	<u>81,986</u>	<u>42,261</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,899,253</u>	<u>1,948,861</u>	<u>1,889,253</u>	<u>1,984,861</u>
Represented by:					
RESTRICTED FUNDS	14	1,679,386	1,758,300	1,679,386	1,758,300
RESTRICTED FUNDS					
Designated funds	15	16,865	23,966	16,865	23,966
General funds		<u>203,002</u>	<u>166,595</u>	<u>203,002</u>	<u>166,595</u>
	16	<u>1,899,253</u>	<u>1,948,861</u>	<u>1,889,253</u>	<u>1,948,861</u>

The financial statements on pages 7-16 were approved by the Board of Directors on 27 September 2004 and is signed on its behalf by:



Anita Bhalla - Chair

Consolidated Cash Flow Statement
for the year ended 28 March 2004

Notes	2004 £	2003 £
Reconciliation of net incoming resources to net cash flow from operating activities		
Net outgoing resources	(49,608)	(157,015)
Depreciation charges	129,049	128,134
Loss on disposal of fixed assets	260	-
Net interest	(4,979)	(18,127)
(Increase)/decrease in stock	(1,296)	2,300
Increase in debtors	(115,206)	(89,108)
(Decrease)/increase in creditors	(26,546)	76,625
Net cash outflow from operating activities	(68,326)	(57,191)
CASH FLOW STATEMENT		
Net cash outflow from operating activities	(68,326)	(57,191)
Returns on investments and servicing of finance (a)	4,979	18,127
Capital expenditure 9	(39,976)	(49,531)
Decrease in cash (b)	(103,323)	(88,595)

Notes to the Consolidated Cash Flow Statement
for the year ended 28 March 2004

(a) Returns in investment and servicing of finance			
	2004	2003	
	£	£	
Interest received	4,979	18,127	
Interest paid	-	-	
Interest net	4,979	18,127	
(b) Increase in cash			
	2004	2003	
	£	£	
Balance at beginning of year	291,880	380,475	
Net cash outflow (note c)	(103,323)	(88,595)	
Balance at end of year	2,219	18,127	
(c) Reconciliation of net cash flow to movements in net funds			
		£	
Decrease in cash during year being change in net debt		(103,323)	
Net funds at 31 March 2003		291,880	
Net funds at 28 March 2004		188,557	
(d) Analysis of changes in net funds			
At 31 March 2003	Cash flows	At 28 March 2004	
£	£	£	
Cash in bank	291,880	(103,323)	188,557

Notes to the Financial Statements

for the year ended 28 March 2004

1 Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important policies is set out below.

a Basis of accounting

mac prepares its annual financial statements on the historical cost basis of accounting. They are drawn up in accordance with Section 226 of and Schedule 4 to, the Companies Act 1985, modified to comply with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000).

b Basis of consolidation

Consolidation financial statements are based on the accounts of the parent company and of the subsidiary as at the balance sheet date. A separate Statement of Financial Activities for the charity itself is not presented because advantage has been taken of the exemptions afforded by Section 230 of the Companies Act 1985 and paragraph 304 of SORP 2000.

c Incoming resources

Income from arts activities is included in incoming resources in the period in which the relevant activity takes place.

Grant income

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Investment income

Investment income is included in the financial statements as and when receivable and the amounts shown include taxation recoverable thereon.

d Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure which is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

e Depreciation

Buildings

Amortisation has been provided on leasehold buildings with effect from 2 April 1984 to write off the expenditure over the remaining period of the lease.

Short-term leasehold improvements and fixtures, fittings and equipment

Depreciation is being provided on short-term leasehold improvements and fixtures, fittings and equipment other than computers in equal annual instalments over their estimated working life of 10 years.

Computers

Depreciation on computers is being provided in equal instalments over an estimated working life of 3 years.

f Capital Grants

Grants and donations received for capital purposes are accounted for as restricted funds and are released to the general fund at the same rate as the amortisation or depreciation of the underlying fixed assets.

g Stocks

Stocks are valued at the lower of cost and estimated realisable value.

h Lease rentals

Rentals on operating leases are charged in the revenue account as incurred.

i Pre-production costs

These are written-off as incurred and are not carried forward to match against production income.

j Pension costs

The company is a member of the Pension Schemes for Administration and Technical Staff in the Arts, a defined benefit scheme. Contributions are charged to the income and expenditure account in accordance with the rates advised by the Scheme Actuary. It also contributes on behalf of individual employees into a further two schemes.

2 Donations, legacies and other similar incoming resources

Revenue grants	2004	2003
	£	£
Arts Council England	626,788	442,387
Birmingham City Council	<u>666,280</u>	<u>650,027</u>
	<u>1,293,068</u>	<u>1,092,414</u>

3 Project grants

	2004	2003
	£	£
Statutory bodies		
Arts Council England	106,273	34,346
Birmingham City Council	<u>64,112</u>	<u>51,219</u>
	<u>170,385</u>	<u>85,565</u>
Non statutory bodies		
Bryant Trust	35,000	30,000
Roughley Trust	5,000	-
Saintbury Trust	3,000	-
New Work Trust	-	1,200
Crossroads	-	3,750
Others	<u>9,313</u>	<u>4,458</u>
	<u>53,313</u>	<u>39,408</u>
Grand total	<u>222,698</u>	<u>124,973</u>

4 Trading Operations

The company owns 100% of the share capital of Midlands Arts Centre Trading Limited which provides catering services to the centre. The turnover represents sales to third parties made either directly by Midlands Arts Centre Trading Limited or indirectly through Midlands Arts Centre (2004 - £63,055; 2003 - £41,200).

	2004	2003
	£	£
Turnover	649,334	663,269
Cost of sales	<u>(235,900)</u>	<u>(244,855)</u>
Gross profit	413,434	418,414
Staff costs	(248,975)	(226,775)
Other operating costs	<u>(39,768)</u>	<u>(44,269)</u>
Operating surplus	124,691	147,370
Bank interest receivable	693	2,988
Bank interest payable	-	-
Net trading income	<u>125,384</u>	<u>150,358</u>

5 Charitable Expenditure

	2004	2003
	£	£
Expenditure includes:		
Auditors' remuneration		
- in respect of audit		
(holding company £5,200; 2003 £5,000)	6,700	6,450
- for other services		
(holding company £nil; 2003 £nil)	700	700
Operating leases - equipment	1,546	877
Depreciation - owned assets	<u>129,049</u>	<u>128,134</u>

6 Staff Costs

	2004	2003
	£	£
Wages and salaries	1,355,044	1,258,153
Social security	87,747	69,695
Pension	<u>59,578</u>	<u>58,998</u>
	<u>1,502,369</u>	<u>1,386,846</u>

The company contributes to a number of pension schemes, the principle one being the Administrative and Technical Staff in the Arts Pension Scheme, which is a national scheme of the defined benefit type.

No trustee received any remuneration or reimbursed expenses during the year.

One employee earns between £50,000 and £60,000.

The average number of employees in the year was as follows:

	2004	2003
	Number	Number
Full time	41	53
Part time	<u>171</u>	<u>192</u>
	<u>212</u>	<u>245</u>

7 Management and Administration

	2004	2003
	£	£
Staff	194,369	265,426
Premises	82,850	99,991
Legal and professional	1,030	8,390
IT	56,161	70,578
Repairs	30,949	39,355
Depreciation	114,070	112,242
Other	148,067	89,883
	<u>672,496</u>	<u>685,865</u>

8 Analysis of Total Resources Expended

	Staff costs	Other	Depreciation	2004 Total
	£	£	£	£
Arts activities	411,146	793,370	14,979	1,219,495
Support costs	647,879	1,029,529	-	1,677,408
Management and administration	<u>194,369</u>	<u>319,057</u>	<u>114,070</u>	<u>627,496</u>
	<u>1,253,394</u>	<u>2,141,956</u>	<u>129,049</u>	<u>3,524,399</u>
Commercial trading operations	<u>248,975</u>	<u>275,668</u>	<u>-</u>	<u>524,643</u>
	<u>1,502,369</u>	<u>2,417,624</u>	<u>129,049</u>	<u>4,049,042</u>

	Staff costs	Other	Depreciation	2003 Total
	£	£	£	£
Arts activities	795,814	644,865	15,892	1,456,571
Support costs	107,831	330,263	-	438,094
Management and administration	<u>256,426</u>	<u>317,197</u>	<u>112,242</u>	<u>685,865</u>
	<u>1,160,071</u>	<u>1,292,325</u>	<u>128,134</u>	<u>2,580,530</u>
Commercial trading operations	<u>226,775</u>	<u>289,124</u>	<u>-</u>	<u>515,899</u>
	<u>1,386,846</u>	<u>1,581,449</u>	<u>128,134</u>	<u>3,096,429</u>

9 Tangible Fixed Assets

Consolidated and company	Short Term		Fixtures & fittings	Computers	Total
	Leasehold buildings	Leasehold improvements			
	£	£	£	£	£
Cost					
At 31 March 2003	2,368,422	268,932	485,322	146,581	3,269,257
Additions	-	10,300	14,739	14,937	39,976
Disposals	-	(18,884)	(13,205)	(260)	(32,349)
At 28 March 2004	<u>2,368,422</u>	<u>260,348</u>	<u>486,856</u>	<u>161,258</u>	<u>3,276,884</u>
Depreciation					
At 31 March 2003	760,467	182,017	288,210	132,063	1,362,757
Charge for year	47,368	23,287	46,157	12,237	129,049
Disposals	-	(18,884)	(13,205)	-	(32,089)
At 28 March 2004	<u>807,835</u>	<u>186,420</u>	<u>321,162</u>	<u>144,300</u>	<u>1,459,717</u>
Net book values					
At 28 March 2003	<u>1,560,587</u>	<u>73,928</u>	<u>165,694</u>	<u>16,958</u>	<u>1,817,617</u>
At 30 March 2004	<u>1,607,955</u>	<u>86,915</u>	<u>197,112</u>	<u>14,518</u>	<u>1,906,500</u>

The Midlands Arts Centre site, containing all the company's buildings, is held under a long lease expiring in 2037 and is not assignable without the consent of the City of Birmingham.

As at 28 March 2004, the group had no capital projects for which capital grants had been received, but orders not yet placed (2003 nil).

10 Investment Insubsidiary Undertaking

The company owns 100% of the issued share capital of Midlands Arts Centre Trading Limited, a company registered in England and Wales, and whose principal activity is the provision of catering services. The results of the subsidiary undertaking are set out in note 4.

11 Stocks

	Consolidated		Company	
	2004	2003	2004	2003
	£	£	£	£
Trading stock	<u>10,922</u>	<u>9,626</u>	<u>-</u>	<u>-</u>

12 Debtors

	Consolidated		Company	
	2004	2003	2004	2003
	£	£	£	£
Amounts falling due within one year				
Due from subsidiary undertaking	-	-	35,178	51,937
Other debtors	135,136	68,148	129,341	65,293
Prepayments	45,803	88,646	44,128	86,970
Accrued income	<u>136,415</u>	<u>45,354</u>	<u>136,415</u>	<u>45,354</u>
	<u>317,354</u>	<u>202,148</u>	<u>345,062</u>	<u>249,554</u>

13 Creditors

	Consolidated		Company	
	2004	2003	2004	2003
	£	£	£	£
Amounts falling due within one year				
Trade creditors	182,883	128,259	174,566	109,223
Taxation and social security payable	33,878	57,118	30,785	37,982
Other creditors	117,470	174,932	117,470	174,932
Accruals	85,773	100,984	79,663	88,770
Deferred income	14,743	-	14,743	-
	<u>434,747</u>	<u>461,293</u>	<u>417,227</u>	<u>410,907</u>

14 Restricted Funds (charity and group)

	Capital Development	Capital grants and donations	Project grants	Total
	£	£	£	£
At 31 March 2004	(72,721)	1,677,343	153,678	1,758,300
Incoming resources (notes 2/3)	730,299	6,159	222,698	959,156
Resources expended	(786,333)	(102,852)	(173,525)	(1,062,710)
Transfers	24,640	-	-	24,640
	<u>(104,115)</u>	<u>1,580,650</u>	<u>202,851</u>	<u>1,679,386</u>

During the year Arts Council England provided **mac** with funding amounting to £476,917 in respect of the **mac** capital development project. Expenditure on the project (other than tangible fixed assets) has not been capitalised, but is recorded as charitable expenditure.

The transfer to restricted funds is **mac**'s matched funding contribution to the capital development.

15 Designated Funds (charity and group)

	Development fund	Stage 2 fund	Total
	£	£	£
At 31 March 2004	16,865	7,101	23,966
Incoming resources	-	4,590	4,590
Resources expended	-	(11,689)	(11,689)
	<u>16,865</u>	<u>-</u>	<u>16,865</u>

16 Analysis of Group Net Assets Between Funds

	Unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Fund balances at 30 March are represented by:				
Fixed assets	227,266	-	1,589,901	1,817,167
Net current assets	<u>(24,264)</u>	<u>16,865</u>	<u>89,485</u>	<u>82,086</u>
	<u>203,002</u>	<u>16,865</u>	<u>1,679,386</u>	<u>1,899,253</u>

17 Lease Commitments

	2004	2003
	£	£
Annual commitments under operating leases for equipment expiring:		
within one year	-	-
within one to two years	<u>1,030</u>	<u>-</u>

The company has a commitment to pay a peppercorn rent on the leasehold land and buildings expiring after more than five years.

18 Tax Status

mac is a charity (Charity Number 528979) under the provisions of the Income and Corporation Taxes Act 1988.

19 Pensions

Contributions to the Pension Scheme for Administration and Technical Staff in the Arts, a defined benefit scheme, are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the charity.

At the last valuation date of 31 March 2003, using the projected unit method, the actuarial value of investments and future contributions was £6.496 million and the actuarial valuation of benefits was £6.386 million.

The scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities. Accordingly in compliance with FRS17 - Retirement Benefits, it has been accounted for as a defined contributions scheme. Based on the recommendations of the Actuary, employer contributions are 12% of pensionable earnings increasing to 13½% from 1 April 2004.

