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**Midlands Arts Centre Trading Limited**

**Annual report**

**for the period ended 28 March 2004**



  
**Clement Keys**  
CHARTERED ACCOUNTANTS

# **Midlands Arts Centre Trading Limited**

## **Annual report for the period ended 28 March 2004**

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# **Midlands Arts Centre Trading Limited**

## **Officers and other information**

Directors	<b>J R L Smith M Martin</b>
Secretary	<b>E Hart</b>
Registered Office	<b>Cannon Hill Park Birmingham B12 9QH</b>
Bankers	<b>HSBC plc 130 New Street Birmingham B2 4JU</b>
Auditors	<b>Clement Keys Chartered Accountants 39/40 Calthorpe Road Birmingham B15 1TS</b>

## **Midlands Arts Centre Trading Limited**

### **Directors' Report for the period to 28 March 2004**

The directors present their report and the audited financial statements for the period ended 28 March 2004.

#### **Principal Activities**

The principal activity of the company is providing catering services and the company operates from the site of its parent company, Midlands Arts Centre (*mac*).

#### **Review of Business**

During the year there has been a fall in turnover but increased profitability. The directors are satisfied with the financial performance for the period.

#### **Dividends and transfers to reserves**

The directors do not recommend the payment of a dividend.

#### **Directors**

The directors who served during the year were:

M Martin

J R L Smith

#### **Directors interests in shares of the company**

The directors have no interests in shares of the company.

#### **Charitable and political contributions**

There were no charitable or political contributions during the period.

#### **Auditors**

Clement Keys have agreed to offer themselves for reappointment as auditors of the company.

## **Midlands Arts Centre Trading Limited**

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that year. In preparing those financial statements, the directors are required to:

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

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

**By order of the board**



**Ed Hart**  
**Company Secretary**

**15 September 2004**

## **Midlands Arts Centre Trading Limited**

### **Independent Auditors' report to the members of Midlands Arts Centre Trading Limited**

We have audited the financial statements set out on pages 6 to 11 which comprise the Profit and Loss Account, Balance Sheet and related Notes, which 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 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 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 directors and auditors**

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' 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 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company 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 directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, 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 company's affairs as at 28 March 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**Clement Keys**  
**Chartered Accountants and Registered Auditor**  
**Birmingham**

**15 September 2004**

## Midlands Arts Centre Trading Limited

### Profit and Loss Account for the period ended 28 March 2004

	Notes	2004 £	2003 £
Turnover	3	649,334	663,269
Cost of sales		<u>235,900</u>	<u>244,855</u>
<b>Gross profit</b>		413,434	418,414
Administrative costs	4	<u>414,127</u>	<u>421,402</u>
Operating (loss)		(693)	(2,988)
Other interest receivable		693	2,988
<b>Profit on ordinary activities before taxation</b>	6	<u>-</u>	<u>-</u>
Taxation	7	<u>-</u>	<u>-</u>
<b>Result for the year</b>		-	-
Balance brought forward		<u>-</u>	<u>-</u>
Balance carried forward		<u>-</u>	<u>-</u>

All of the activities of the company are continuing.

The company has no recognised gains or losses other than those included in the result above.

There is no difference between the result for this period and its historical cost equivalent.

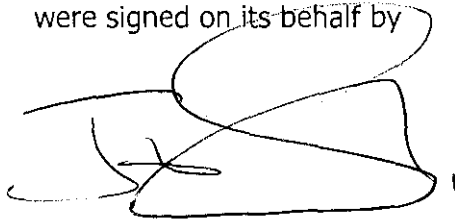
The notes on pages 8 to 11 form part of these financial statements.

# Midlands Arts Centre Trading Limited

## Balance Sheet as at 28 March 2004

	Notes	2004 £	2003 £
<b>Current Assets</b>			
Stock	8	10,922	9,626
Debtors	9	7,470	4,531
Cash at bank and in hand		<u>34,406</u>	<u>88,266</u>
		52,798	102,423
<b>Creditors: amounts falling due within one year</b>	10	<u>52,698</u>	<u>102,323</u>
<b>Total assets less current liabilities</b>		<u>100</u>	<u>100</u>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Profit and loss		<u>-</u>	<u>-</u>
<b>Equity shareholder's funds</b>		<u>100</u>	<u>100</u>

The financial statements were approved by the board of directors on 15 September 2004 and were signed on its behalf by



**JRL SMITH**  
Chair

The notes on pages 8 to 11 form part of these financial statements.



# **Midlands Arts Centre Trading Limited**

## **Notes to the financial statements for the period ended 28 March 2004**

### **1. Basis of preparation of the financial statements**

The directors have prepared the financial statements on the going concern basis, which is dependent on the continued operation of the parent company. The parent company has confirmed that it will provide such support as is necessary.

### **2 Principal accounting policies**

The financial statements have been prepared under the historical cost basis of accounting and in accordance with applicable Accounting Standards in the United Kingdom. The following accounting policies are considered important in relation to the company's accounts:

#### **a) Turnover**

Turnover, which excludes value added tax, represents cash sales and the invoiced value of goods and services supplied and arises from sales in the United Kingdom.

#### **b) Stocks**

Stocks comprise food stuff and bar stocks and are valued at the lower of cost and net realisable value.

#### **c) Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities have not been discounted.

### **3 Turnover**

Turnover includes £63,055 (2003 £41,200) of sales to the parent company.

# Midlands Arts Centre Trading Limited

## Notes to the financial statements for the period ended 28 March 2004

<b>4</b>	<b>Administrative Costs</b>	<b>2004 £</b>	<b>2003 £</b>
	Employment costs	248,975	226,775
	Other operating costs	<u>165,152</u>	<u>194,627</u>
		<u>414,127</u>	<u>421,402</u>

The average number of persons employed by the company during the period was as follows:

	<b>2004 Number</b>	<b>2003 Number</b>
Full time	12	12
Part time	21	21
	<u>          </u>	<u>          </u>

The aggregate payroll costs of the employees were as follows:

	<b>2004 £</b>	<b>2003 £</b>
Wages and salaries	236,046	214,302
Social security costs	<u>12,929</u>	<u>12,473</u>
	<u>248,975</u>	<u>226,775</u>

### **5 Directors**

None of the directors received any remuneration from the company or the parent company in respect of their role as directors of the company.

<b>6</b>	<b>Profit before taxation</b>	<b>2004 £</b>	<b>2003 £</b>
	The profit before taxation is arrived at after charging:		
	Auditors' remuneration		
	- in respect of the audit	2,236	2,150
	Service charge from parent company	<u>125,384</u>	<u>150,358</u>

### **7 Taxation**

There was no taxation charge for the period ended 28 March 2004 (30 March 2003).

<b>8</b>	<b>Stock</b>	<b>2004 £</b>	<b>2003 £</b>
	Bar and catering stocks	<u>10,922</u>	<u>9,626</u>

# Midlands Arts Centre Trading Limited

## Notes to the financial statements for the period ended 28 March 2004

### 9 Debtors

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year		
Trade debtors	5,795	2,856
Other debtors	<u>1,675</u>	<u>1,675</u>
	7,470	4,531

### 10 Creditors: amounts falling due within one year

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade creditors	8,317	19,036
Amounts due to parent company	35,178	33,364
Taxation and social security	3,093	19,136
Other creditors	<u>6,110</u>	<u>30,787</u>
	52,698	102,323

Amounts due to parent company comprise facility fees due but not paid as at the year end.

### 11 Deferred taxation

The full potential liability for deferred taxation is £Nil (2003 £Nil).

### 12 Called up share capital

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
10000 ordinary shares of £1 each	10,000	10,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	100	100
	<u>          </u>	<u>          </u>
	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Opening shareholders' funds	100	100
Result for the period	<u>-</u>	<u>-</u>
Closing shareholders' funds	<u>100</u>	<u>100</u>

# Midlands Arts Centre Trading Limited

## Notes to the financial statements for the period ended 28 March 2004

### 13 Financial commitments and contingent liabilities

#### (a) VAT

The company as at the year end is a member of a VAT registration group with its parent company which is the representative member. The company is jointly and severally liable for any VAT due from the representative member.

(b)	Operating lease commitments	2004 £	2003 £
	Annual commitments under operating leases for equipment expiring		
	within 1 year	-	-
	within 1 – 2 years	<u>1,030</u>	<u>-</u>
		<u>1,030</u>	<u>-</u>

### 14 Cashflow statement

The company has taken advantage of the exemption provided by FRS1 and not presented a cashflow statement.

### 15 Parent company

The company is a wholly-owned subsidiary of Midlands Arts Centre, a company limited by guarantee and registered in England and Wales. The directors consider that Midlands Arts Centre is the ultimate controlling party.

Copies of consolidated financial statements can be obtained from:

The Company Secretary  
Midlands Arts Centre  
Cannon Hill Park  
Birmingham B12 9QH