

MIDLANDS ARTS CENTRE TRADING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 MARCH 2016

Company No: 03261120

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MIDLANDS ARTS CENTRE TRADING LIMITED
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 March 2016

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MIDLANDS ARTS CENTRE TRADING LIMITED

COMPANY INFORMATION

Directors	Anthony R Howard Adam Gregory (resigned 26 Jan 2016) Vanessa Eversfield (resigned 9 July 2015) Tracy Johnson Guy Owen Mike Williams (appt. 9 July 2015)
Company Registration Number	03261120
Registered Office	Cannon Hill Park Birmingham B12 9QH
Bankers	HSBC plc 130 New Street Birmingham B2 4JU
Auditors	PKF Cooper Parry Group Ltd Statutory Auditors No. 8 Calthorpe Road Birmingham B15 1QT

MIDLANDS ARTS CENTRE TRADING LIMITED

DIRECTORS' REPORT 2015/16

The Directors present their Annual Report together with the Financial Statements for the year ended 31 March 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of catering services, event sales, venue hires and retail activities, and the company operates from the site of its parent company, Midlands Arts Centre (mac birmingham).

MIDLANDS ARTS CENTRE TRADING LIMITED

DIRECTORS' REPORT 2015/16

DIVIDENDS AND TRANSFERS TO RESERVES

The Directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the period were:

Adam Gregory (resigned 26 Jan 2016)
Vanessa Eversfield (resigned 9 July 2015)
Anthony R Howard
Tracy Johnson
Guy Owen
Mike Williams (appt. 9 July 2015)

DIRECTORS INTERESTS IN SHARES OF THE COMPANY

No Director has any interest in the shares of the company.

CHARITABLE AND POLITICAL CONTRIBUTIONS

There were no charitable or political contributions during the period except for a gift aid payment to the parent company as disclosed at Note 4.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The business of Clement Keys LLP merged with PFK Cooper Parry Group Limited on 8 January 2016. Clement Keys LLP has resigned as auditor and the merged firm, PKF Cooper Parry Group Limited has been appointed in its place.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

BY ORDER OF THE BOARD



Anthony R Howard
Director

22 July 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLANDS ARTS CENTRE TRADING LIMITED

We have audited the financial statements of Midlands Arts Centre Trading Limited for the year ended 31 March 2016, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLANDS ARTS CENTRE TRADING LIMITED

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Directors' report.


Simon Atkins FCA

Senior Statutory Auditor
for and on behalf of:

PKF Cooper Parry Group Limited
Statutory Auditors

No. 8 Calthorpe Road
Birmingham
B15 1QT

22 July 2016

MIDLANDS ARTS CENTRE TRADING LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2016

	Notes	2016 £	2015 £
Turnover	3	1,755,735	1,595,828
Cost of sales		<u>(410,189)</u>	<u>(378,710)</u>
Gross profit		1,345,546	1,217,118
Administrative costs		<u>(1,345,546)</u>	<u>(1,217,118)</u>
Operating profit before taxation	4	-	-
Tax on profit on ordinary activities		-	-
Profit for the financial year		<u><u>-</u></u>	<u><u>-</u></u>

All of the activities of the company are continuing.

The notes on pages 8 to 13 form part of these financial statements.

MIDLANDS ARTS CENTRE TRADING LIMITED

Company number 03261120

BALANCE SHEET

as at 31 March 2016

	Notes	2016 £	2015 £
Fixed Assets			
Tangible fixed assets	8	<u>-</u>	<u>18,065</u>
Current Assets			
Stock	9	25,379	22,316
Debtors due within one year	10	141,510	106,961
Cash at bank and in hand		<u>307,720</u>	<u>295,166</u>
		474,609	424,443
 Creditors: amounts falling due within one year	11	 (474,509)	 (442,408)
 Total assets less current liabilities		 <u><u>100</u></u>	 <u><u>100</u></u>
 Capital and reserves			
Called up share capital	12	100	100
Profit and loss		<u>-</u>	<u>-</u>
Equity shareholder's funds		<u><u>100</u></u>	<u><u>100</u></u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 22 July 2016 and were signed on its behalf by:



Anthony R Howard
Director

The notes on pages 8 to 13 form part of these financial statements.

MIDLANDS ARTS CENTRE TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

1 Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost basis of accounting and in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

2 Principal accounting policies

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, bar stocks and retail goods and are valued at the lower of cost and net realisable value.

c) Cash flow statement

The company is a wholly owned subsidiary of Midlands Arts Centre and the cash flows of the company are included in the consolidated cash flow statement of Midlands Arts Centre.

Consequently, the company is exempt under the terms of the Financial Reporting Standard for Smaller Entities (effective January 2015) from publishing its own cash flow statement.

d) Tangible fixed assets

Fixed assets are included at cost less depreciation. Depreciation is calculated so as to write off the cost less their estimated residual value of the tangible fixed assets over their estimated useful lives as follows:

Equipment	33% - 50% on cost
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e) Corporation tax

The company has no liability to corporation tax as any profits made on its charitable activities are transferred to the parent charitable company, Midlands Arts Centre, as a charitable donation.

MIDLANDS ARTS CENTRE TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

3 Turnover

Turnover includes £18,174 (2015 £16,279) of sales to the parent company.

4 Profit on ordinary activities before taxation

The profit before taxation is arrived at after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration		
- in respect of the audit	2,650	1,626
Depreciation	8,380	8,693
Transactions with parent company		
- facility fees charged	195,000	182,000
- technical & customer service support recharged	66,463	68,118
- room rental payable	200,571	158,870
- licence fees payable	2,200	2,200
- covenanted profit transferred under gift aid	<u>195,003</u>	<u>97,730</u>

5 Staff costs

The aggregate payroll costs of the employees were as follows:

	2016 £	2015 £
Wages and salaries	520,845	527,147
Social security costs	28,591	27,246
Pension costs	<u>2,717</u>	<u>2,806</u>
	<u>552,153</u>	<u>557,199</u>

MIDLANDS ARTS CENTRE TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

5 Staff costs (continued)

The staff costs above are recharged from the parent company and therefore the employees are employed by Midlands Arts Centre. The recharged staff costs relate to the following number of person as at 31 March 2016:

	2016 Number	2015 Number
Catering, bar and events staff	45	51
	<u> </u>	<u> </u>

This equates to a FTE of 29 (2015: 34).

6 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.

7 Taxation

There is no taxation charge for the year ended 31 March 2016 (2015: £nil). The company has no deferred tax liability or asset and there are no factors affecting future tax charges.

MIDLANDS ARTS CENTRE TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

8	Tangible fixed assets	Equipment	Total
		£	£
	Cost		
	At 31 March 2015	37,711	37,711
	Disposals (transfer to Charity)	<u>(37,711)</u>	<u>(37,711)</u>
	At 31 March 2016	<u>-</u>	<u>-</u>
	Depreciation		
	At 31 March 2015	19,646	19,646
	Released on Disposal (transfer to Charity)	(28,026)	(28,026)
	Charge for the year	<u>8,380</u>	<u>8,380</u>
	At 31 March 2016	<u>-</u>	<u>-</u>
	Net book value		
	At 31 March 2016	<u>-</u>	<u>-</u>
	At 31 March 2015	<u>18,065</u>	<u>18,065</u>

Fixed assets are transferred to its parent company, Midlands Arts Centre (mac birmingham) as at 31 March 2016

9	Stock	2016	2015
		£	£
	Bar and catering stocks	14,448	14,132
	Retail	<u>10,931</u>	<u>8,184</u>
		<u>25,379</u>	<u>22,316</u>
10	Debtors	2016	2015
		£	£
	Trade debtors	133,309	100,991
	Prepayments	7,868	5,570
	Accrued income	<u>333</u>	<u>400</u>
		<u>141,510</u>	<u>106,961</u>

MIDLANDS ARTS CENTRE TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

11 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	45,256	54,326
Amounts due to parent company	383,387	371,572
Accruals	9,253	1,228
Deferred income	36,613	15,282
	<u>474,509</u>	<u>442,408</u>

12 Called up share capital

	2016	2015
	£	£
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

13 Financial commitments and contingent liabilities

The company 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.

14 Reconciliation of movement in shareholder's funds

	2016	2015
	£	£
Opening shareholder's funds	100	100
Result for the period	<u>-</u>	<u>-</u>
Closing shareholder's funds	<u>100</u>	<u>100</u>

MIDLANDS ARTS CENTRE TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

15 Parent company

The company is a wholly-owned subsidiary of Midlands Arts Centre, a charitable 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
mac birmingham (Midlands Arts Centre)
Cannon Hill Park
Birmingham
B12 9QH

16 Related party transactions

There were no related party transactions during the year other than those with the ultimate parent company as disclosed in note 4.