

Charity Registration No. 1126872

Company Registration No. 06602989 (England and Wales)

**ARTS GATEWAY MK LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**



# **ARTS GATEWAY MK LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	D S Millis J M Stewart B Brophy L C Davies R J Gillies C A Park J V M Best
<b>Charity number</b>	1126872
<b>Company number</b>	06602989
<b>Principal address</b>	18-20 Burners Lane Kiln Farm Milton Keynes Buckinghamshire MK11 3HB
<b>Registered office</b>	18-20 Burners Lane Kiln Farm Milton Keynes Buckinghamshire MK11 3HB

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# **ARTS GATEWAY MK LIMITED**

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# **ARTS GATEWAY MK LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

#### **Objectives and activities**

The charity's objects are to foster and develop the arts in the unitary council area of Milton Keynes and adjoining areas. To achieve this we carry out a range of activities including providing creative hubs for subscribing members, providing information and regular networking events in Milton Keynes and promoting and delivering creative programmes including MK Litfest, Changed World Art Zone and Festival of Nations, much of them performed on-line. The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Achievements and performance**

During the year we continued to develop our creative hub at 20, Burners Lane Kiln Farm, which we hold on a 12-year lease. We concluded works required to meet Building Control requirements for our studios and over the year we accommodated around 100 creatives in workspaces, with up to 60 at any time. We started design, obtaining consents for, and construction of a new presentation space that when complete will allow public access to a wide range of public exhibition and performance, thus reinstating the programmes delivered from our previous premises. We moved our successful flagship MK Litfest online in the face of Covid, and did not apply for external funding, resourcing the programme instead from Litfest reserves. We established other on-line activities under lockdown, including the Changed World Art Zone interactive gallery, and Live at the Kiln music streaming events. We remain active participants in MAKE, MKs Cultural Education Partnership, in AHA MK, the umbrella for MKs Arts and Heritage sector, and in the SEMLEP Creative and Cultural advisory group.

#### **Financial review**

During the year incoming resources were £151,689 predominantly from our studios at Arts Central, and significant grants from the Arts Council, Garfield Weston Foundation and MK Council, a significant increase from £86,474 the year before. After capitalising the first two years of our building project for depreciation over the remaining ten years of the lease, our spending during the 2020/21 year was £96,111 compared to £80,144 the year before. We ended the year with balances of £100,993 up £55,578 on the previous year.

#### **Reserves Policy**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level that will meet aggregate expectations of liability, assessed by Trustees in 2018 as around £25k, and to be kept under review. This has been fully achieved during 2020/2021 financial period due to capitalisation of leasehold development costs. The charity has restricted reserves from grants previously received to deliver specific projects. At this point these funds relate specifically to development of a public presentation space at Burners Lane, the MK Literary Festival, continued support for depressed studio revenue under Covid and some residual funds for organisational development. The Charity has no endowments or legacies.

#### **Risk management**

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

# ARTS GATEWAY MK LIMITED

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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### Plans for the future

Our plans for the future continue to revolve around three key issues:

- Improvement of our premises at Burners Lane. In due course we will enable access by the general public and reinstatement of creative programmes across multiple genres including art, dance, music and literature, where MK Litfest is our flagship;
- Development of a broader service to creatives both within Arts Central and in the wider community, to help people build sustainable practices within MKs cultural infrastructure;
- Maintenance of a higher profile across Milton Keynes, engaging a wider spectrum of stakeholders including business, building partnership and collaboration wherever possible.

### Structure, governance and management

The charity is a company limited by guarantee, incorporated on 27 May 2008 in England and Wales, company number 06602989 and is governed by its Memorandum and Articles of Association, as amended on 11 November 2008. The charity is registered with the Charity Commission on 24 November 2008.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

D S Millis	
J M Stewart	
S Bradford	(Resigned 16 January 2021)
C Bradley-Goodship	(Resigned 11 May 2021)
B Brophy	(Appointed 9 March 2021)
L C Davies	(Appointed 18 August 2020)
R J Gillies	(Appointed 18 August 2020)
C A Park	(Appointed 9 March 2021)
J V M Best	

Potential trustees with an interest in the arts and with skills to contribute to the charity's strategy and development are recruited from the local Milton Keynes community.

The Memorandum and Articles of Association provide for trustees to be appointed by the Board, currently with no time limit on period served. The Board from time to time identifies skill gaps we would like filled. Where suitable candidates are identified they are invited to for an informal conversation and to observe at a board meeting. Incoming Trustees are required to accept the charity's policies and Trustee Duties, Responsibilities and Code of Conduct. The Board intends to review our governance, management and recruitment arrangements in the coming year, with a view to increasing the number of Trustees and ensure we are fit for purpose going forward.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The company is managed by a board of unpaid trustees of up to 12 members who meet quarterly. Day to day management of operations is delegated to an office manager. The trustees' report has been approved by the Board of Trustees.

The trustees' report was approved by the Board of Trustees.

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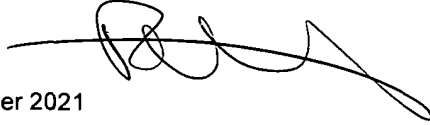
# **ARTS GATEWAY MK LIMITED**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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**B Brophy**  
Trustee

Dated: 16 December 2021



# ARTS GATEWAY MK LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF ARTS GATEWAY MK LIMITED

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I report to the trustees on my examination of the financial statements of Arts Gateway MK Limited (the charity) for the year ended 31 March 2021.

#### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Tom Foot ACA  
Honorary Reporting Accountant

Dated: 16 December 2021

# ARTS GATEWAY MK LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b><u>Income from:</u></b>					
Donations and legacies	3	21,684	60,946	82,630	25,551
Charitable activities	4	69,059	-	69,059	60,923
<b>Total income</b>		<b>90,743</b>	<b>60,946</b>	<b>151,689</b>	<b>86,474</b>
<b><u>Expenditure on:</u></b>					
Raising funds	5	-	108	108	96
Charitable activities	6	54,724	40,085	94,809	78,876
Other	10	1,194	-	1,194	1,172
<b>Total resources expended</b>		<b>55,918</b>	<b>40,193</b>	<b>96,111</b>	<b>80,144</b>
<b>Net income for the year/ Net movement in funds</b>		<b>34,825</b>	<b>20,753</b>	<b>55,578</b>	<b>6,330</b>
Fund balances at 1 April 2020		40,912	4,503	45,415	39,085
<b>Fund balances at 31 March 2021</b>		<b>75,737</b>	<b>25,256</b>	<b>100,993</b>	<b>45,415</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# ARTS GATEWAY MK LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		64,229		55,082
<b>Current assets</b>					
Debtors	12	21,311		14,798	
Cash at bank and in hand		79,532		38,890	
		<u>100,843</u>		<u>53,688</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(11,579)</u>		<u>(11,855)</u>	
Net current assets			89,264		41,833
<b>Total assets less current liabilities</b>			<u>153,493</u>		<u>96,915</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(52,500)</u>		<u>(51,500)</u>
<b>Net assets</b>			<u><u>100,993</u></u>		<u><u>45,415</u></u>
<b>Income funds</b>					
Restricted funds			25,256		4,503
Unrestricted funds			75,737		40,912
			<u><u>100,993</u></u>		<u><u>45,415</u></u>

# **ARTS GATEWAY MK LIMITED**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2021**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 16 December 2021



**B Brophy**  
**Trustee**

**Company Registration No. 06602989**

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Charity information

Arts Gateway MK Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 18-20 Burners Lane, Kiln Farm, Milton Keynes, Buckinghamshire, MK11 3HB, United Kingdom.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

#### 1.5 Resources expended

The costs of generating funds relate to the costs incurred by the charity in raising funds for charitable work.

Resources expended are recognised in the period in which they are incurred and include attributable VAT. Resources expended are allocated to the particular project where the cost relates directly to the activity of that project.

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

Governance costs include the management of the charity's assets, organisational management and compliance with constitutional statutory requirements.

#### 1.6 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations and gifts	17,684	982	18,666	7,228
Grant income	4,000	59,964	63,964	18,323
	<u>21,684</u>	<u>60,946</u>	<u>82,630</u>	<u>25,551</u>

### 4 Charitable activities

	2021 £	2020 £
Venue hire fees	61,321	52,030
Membership fees	1,495	1,784
Other income	6,243	7,109
	<u>69,059</u>	<u>60,923</u>

### 5 Raising funds

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
<u>Fundraising and publicity</u>				
Staging fundraising events	-	-	-	96
Advertising	-	108	108	-
	<u>-</u>	<u>108</u>	<u>108</u>	<u>96</u>

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 6 Charitable activities

	2021	2020
	£	£
Staff costs	12,810	11,756
Depreciation and impairment	9,846	7,920
Artist & venue costs	45,915	35,326
General expenses	415	2,573
Computer costs	1,204	1,406
Insurance	8,152	7,895
Office costs	2,786	2,062
Printing, postage & stationery	676	2,029
Property costs	(26,459)	(21,521)
Relocation costs	-	172
Rent	37,542	25,599
Repairs & maintenance	970	325
Staff Training	-	702
Subscriptions	131	310
Travel & subsistence	-	1,504
Advertising & marketing	233	273
	<u>94,221</u>	<u>78,331</u>
Share of governance costs (see note 7)	588	545
	<u>94,809</u>	<u>78,876</u>
<b>Analysis by fund</b>		
Unrestricted funds	54,724	
Restricted funds	40,085	
	<u>94,809</u>	

### 7 Governance costs

	Governance costs £	2021 £	2020 £	Basis of allocation
Accountancy	588	588	545	Governance
	<u>588</u>	<u>588</u>	<u>545</u>	
Charitable activities	588	588	545	
	<u>588</u>	<u>588</u>	<u>545</u>	

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	1	1
	<u>1</u>	<u>1</u>
Employment costs	2021 £	2020 £
Wages and salaries	12,630	12,230
Social security costs	-	(614)
Other pension costs	180	140
	<u>12,810</u>	<u>11,756</u>

### 10 Other

	2021 £	2020 £
Financing costs	1,194	1,172
	<u>1,194</u>	<u>1,172</u>

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2020	55,907	10,292	66,199
Additions	18,993	-	18,993
At 31 March 2021	74,900	10,292	85,192
<b>Depreciation and impairment</b>			
At 1 April 2020	5,591	5,526	11,117
Depreciation charged in the year	7,490	2,356	9,846
At 31 March 2021	13,081	7,882	20,963
<b>Carrying amount</b>			
At 31 March 2021	61,819	2,410	64,229
At 31 March 2020	50,316	4,766	55,082

### 12 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,163	7,650
Other debtors	7,148	7,148
Prepayments and accrued income	9,000	-
	21,311	14,798

### 13 Loans and overdrafts

	2021 £	2020 £
Debenture loans	52,500	51,500
Payable after one year	52,500	51,500

Fixed rate 2% unsecured loan notes payable in 5 years.



# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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

	2021 £	2020 £
Other taxation and social security	82	108
Trade creditors	11,020	11,324
Other creditors	104	36
Accruals and deferred income	373	387
	<u>11,579</u>	<u>11,855</u>

### 15 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Borrowings	<u>52,500</u>	<u>51,500</u>

### 16 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	64,229	-	64,229
Current assets/(liabilities)	89,264	-	89,264
Long term liabilities	(52,500)	-	(52,500)
	<u>100,993</u>	<u>-</u>	<u>100,993</u>

# **ARTS GATEWAY MK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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### **17 Related party transactions**

During the year the charity entered into the following transactions with related parties:

J Best, a trustee of the charity, was reimbursed for expenses totalling £4,348 (2020: £2,363) incurred on behalf of the charity for property maintenance, property relocation, event costs and general supplies.