

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 2022

ARTS GATEWAY MK LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

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

ARTS GATEWAY MK LIMITED

CONTENTS

	Page
Trustees' report	1 - 2
Statement of financial activities	4
Balance sheet	5
Notes to the accounts	6 - 13

ARTS GATEWAY MK LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

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. Over the year we accommodated around 120 creatives in workspaces there, with up to 65 at any time. We continued with fundraising for, and construction of our 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 continued MK Litfest online in the face of Covid, delivering a programme larger and more successful than initially planned, resourcing the programme from Litfest reserves and a small grant from MK Council. We continued our other on-line activities under lockdown, including the Changed World Art Zone interactive gallery, and Live at the Kiln music streaming events in partnership with Community Arts Resources Centre. We remain active participants in AHA MK, the umbrella for MK's Arts and Heritage sector, and in the SEMLEP Creative and Cultural advisory group. And we collaborated with MK Play Association on delivering holiday arts schemes in disadvantaged parts of MK.

Financial review

During the year incoming resources were £123,852 predominantly from our studios at Arts Central, and significant grants from the Arts Council, Garfield Weston Foundation and MK Council, a reduction from £151,689 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 2021/22 year was £134,128 compared to £96,111 the year before. We ended the year with balances of £93,209 being a reduction of £7,785 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 again been fully achieved during 2021/22. The charity has restricted reserves from grants previously received to deliver specific projects, specifically at this point relating to the MK Literary Festival. Restricted funds for our presentation space from Arts Council England and MK Community Foundation have been fully expended. 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 2022

Plans for the future

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

- Improvement of our premises at Burners Lane. This will imminently 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	
C Bradley-Goodship	(Resigned 11 May 2021)
B Brophy	
L C Davies	(Resigned 17 March 2022)
R J Gillies	
C A Park	(Resigned 1 June 2022)
J V M Best	
A Shaw	(Appointed 24 January 2022)

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 up to 12 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 increase the number of Trustees and ensure we remain 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.

B Brophy

Trustee

Dated: 2 November 2022

ARTS GATEWAY MK LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ARTS GATEWAY MK LIMITED

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 2022.

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 FCA
Honorary Reporting Accountant

Dated: 2 November 2022

ARTS GATEWAY MK LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Income from:</u>					
Donations and legacies	2	16,043	19,151	35,194	82,630
Charitable activities	3	88,658	-	88,658	69,059
Total income		104,701	19,151	123,852	151,689
<u>Expenditure on:</u>					
Raising funds	4	-	270	270	108
Charitable activities	5	97,437	33,048	130,485	94,809
Other	9	3,177	196	3,373	1,194
Total resources expended		100,614	33,514	134,128	96,111
Net income/(expenditure) for the year/ Net movement in funds		4,087	(14,363)	(10,276)	55,578
Fund balances at 1 April 2021		75,737	25,257	100,994	45,415
Fund balances at 31 March 2022		79,824	10,894	90,718	100,993

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		83,221		64,229
Current assets					
Debtors	11	27,824		21,311	
Cash at bank and in hand		52,434		79,532	
			80,258		100,843
Creditors: amounts falling due within one year	13	(19,261)		(11,579)	
Net current assets			60,997		89,264
Total assets less current liabilities			144,218		153,493
Creditors: amounts falling due after more than one year	14		(53,500)		(52,500)
Net assets			90,718		100,993
Income funds					
Restricted funds			10,894		25,256
Unrestricted funds			79,824		75,737
			90,718		100,993

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 2022.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 2 November 2022

B Brophy
Trustee

Company Registration No. 06602989

ARTS GATEWAY MK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 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

ARTS GATEWAY MK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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.

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.

ARTS GATEWAY MK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

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.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and gifts	4,543	816	5,359	18,666
Grant income	11,500	18,335	29,835	63,964
	<u>16,043</u>	<u>19,151</u>	<u>35,194</u>	<u>82,630</u>

3 Charitable activities

	2022 £	2021 £
Venue hire fees	77,300	61,321
Membership fees	2,028	1,495
Other income	9,330	6,243
	<u>88,658</u>	<u>69,059</u>

4 Raising funds

	2022 £	2021 £
<u>Fundraising and publicity</u>		
Advertising	270	108

ARTS GATEWAY MK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4	Raising funds	(Continued)		
		270	108	
		<u> </u>	<u> </u>	
5	Charitable activities			
		2022	2021	
		£	£	
	Staff costs	12,800	12,810	
	Depreciation and impairment	10,298	9,846	
	Artist & venue costs	38,730	45,915	
	General expenses	2,505	415	
	Computer costs	367	1,204	
	Insurance	7,438	8,152	
	Office costs	1,466	2,786	
	Printing, postage & stationery	285	676	
	Property costs	3,810	(26,459)	
	Rent	50,937	37,542	
	Repairs & maintenance	382	970	
	Subscriptions	310	131	
	Advertising & marketing	545	233	
		<u> </u>	<u> </u>	
		129,873	94,221	
		<u> </u>	<u> </u>	
	Share of governance costs (see note 6)	612	588	
		<u> </u>	<u> </u>	
		130,485	94,809	
		<u> </u>	<u> </u>	
	Analysis by fund			
	Unrestricted funds	97,437		
	Restricted funds	33,048		
		<u> </u>		
		130,485		
		<u> </u>		
6	Governance costs			
	Governance costs	2022	2021	Basis of allocation
	£	£	£	
	Accountancy	612	588	Governance
	<u> </u>	<u> </u>	<u> </u>	
	612	612	588	
	<u> </u>	<u> </u>	<u> </u>	
	Charitable activities	612	588	
	<u> </u>	<u> </u>	<u> </u>	

ARTS GATEWAY MK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Trustees

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

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	1	1
	<u>1</u>	<u>1</u>
Employment costs	2022 £	2021 £
Wages and salaries	12,617	12,630
Other pension costs	183	180
	<u>12,800</u>	<u>12,810</u>

9 Other

	Unrestricted funds	Restricted funds	Total 2022 £	Total 2021 £
Financing costs	1,418	196	1,614	1,194
Other expenditure	1,759	-	1,759	-
	<u>3,177</u>	<u>196</u>	<u>3,373</u>	<u>1,194</u>
For the year ended 31 March 2021	<u>1,194</u>	<u>-</u>		<u>1,194</u>

ARTS GATEWAY MK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2021	74,901	10,292	85,193
Additions	2,182	27,107	29,289
	<u>77,083</u>	<u>37,399</u>	<u>114,482</u>
At 31 March 2022			
Depreciation and impairment			
At 1 April 2021	13,081	7,882	20,963
Depreciation charged in the year	7,667	2,631	10,298
	<u>20,748</u>	<u>10,513</u>	<u>31,261</u>
At 31 March 2022			
Carrying amount			
At 31 March 2022	<u>56,335</u>	<u>26,886</u>	<u>83,221</u>
At 31 March 2021	<u>61,819</u>	<u>2,410</u>	<u>64,229</u>

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	5,310	5,163
Other debtors	10,148	7,148
Prepayments and accrued income	12,366	9,000
	<u>27,824</u>	<u>21,311</u>

12 Loans and overdrafts

	2022 £	2021 £
Debenture loans	<u>53,500</u>	<u>52,500</u>
Payable after one year	<u>53,500</u>	<u>52,500</u>

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 2022

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	88	82
Trade creditors	16,083	11,020
Other creditors	107	104
Accruals and deferred income	2,983	373
	<u>19,261</u>	<u>11,579</u>

14 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Borrowings	<u>53,500</u>	<u>52,500</u>

15 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2022 are represented by:			
Tangible assets	83,221	-	83,221
Current assets/(liabilities)	50,103	10,894	60,997
Long term liabilities	(53,500)	-	(53,500)
	<u>79,824</u>	<u>10,894</u>	<u>90,718</u>

ARTS GATEWAY MK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2022*

16 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 £66 (2021: £4,348) incurred on behalf of the charity for property maintenance, property relocation, event costs and general supplies.