

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 2017**

# ARTS GATEWAY MK LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	J V M Best M Christensen A Mallyon D S Millis H Parlor J M Stewart J W Luff D R A Newbould C J Tilt
<b>Charity number</b>	1126872
<b>Company number</b>	06602989
<b>Principal address</b>	Norfolk House East (3rd Floor) 106 - 108 Saxon Gate West Milton Keynes Buckinghamshire United Kingdom MK9 2DN
<b>Registered office</b>	Norfolk House East (3rd Floor) 106 - 108 Saxon Gate West Milton Keynes Buckinghamshire United Kingdom MK9 2DN

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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 2017

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The trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply 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)" (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 Môtus, MK Arts Week, and Festival of Nations.

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 operated out of five premises: Norfolk House was our primary Arts Central creative hub, supported by 10 Milburn Avenue and for a very short time 20 Milburn Avenue. We also occupied Horncastle Barn, for storage and 3 Hollin Lane, for Community Arts Resources Centre, Milton Keynes.

Over the year we accommodated around 100 creatives in workspaces, with up to 70 at any time.

We initiated with Arts Council funding The Creative Workspace Network to build connections with similar organisations across South East Midlands Local Enterprise Partnership and with Milton Keynes Council and other funding, extended Culture Challenge into Milton Keynes as a platform to support artists working with schools.

Môtus, with a variety of funding, continued to support dance in Milton Keynes. In addition to Trust or Arts Council funding outlined above, we generated £2,000 from corporate sponsorship of Milton Keynes Arts Week and a further £2,000 from Milton Keynes Rotary for MK Arts Week 2017.

During the year the charity established Litfest, a new programme supported in principle by many including the Local Authority. Milton Keynes Council had budget available in 2016/17 to pump-prime the project and paid this to the charity before the year-end as a promoter.

### Financial review

During the year incoming resources were £91,875 compared to £97,885 in the prior year. The unrestricted revenue from Arts Central creative hubs reduced to reflect the reduction in floorspace we were managing. This was offset by an increase in restricted income to fund specific projects during the year.

We ended the year with balances of £40,808, of which £25,575 was unrestricted compared to £33,694 for the previous year, due largely to unexpectedly high liabilities on electricity, now sharply reduced.

### 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 equivalent to between six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

The charity has restricted reserves from grants previously received to deliver specific projects. These relate primarily to Milton Keynes Community Foundation, Arts Council England and some smaller sources such as sponsors for MK Arts Week where planned spend spans several years, or balances are carried forward to later phases. The Charity has no endowments or legacies.

# ARTS GATEWAY MK LIMITED

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

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### Risk management

The trustees has 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.

### Plans for the future

Our plans for the future revolve around issues:

- We urgently need secure (rather than precarious) premises for Arts Central operations,
- We propose to continue developing creative programmes around art, dance and literature,
- We will develop a higher profile with Milton Keynes corporate businesses, as potential sponsors and supporters.

### 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 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 were:

J V M Best	
M Christensen	
D L Flowers	(Deceased 1 May 2016)
A Mallyon	
D S Millis	
H Parlor	
J M Stewart	
J W Luff	(Appointed 13 December 2016)
D R A Newbould	(Appointed 8 November 2016)
C J Tilt	


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.

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 was approved by the Board of Trustees.

  
J V M Best  
Trustee  
Dated: 31 January 2018

# 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 accounts of Arts Gateway MK Limited (the charity) for the year ended 31 March 2017.

### **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 accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the accounts 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 accounts 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 accounts do not accord with those records; or
- 3 the accounts 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 accounts 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 accounts to be reached.



Ruth Cliff FCA

Dated: 31 January 2018

# ARTS GATEWAY MK LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b><u>Income from:</u></b>					
Donations and legacies	3	1,820	-	1,820	3,056
Charitable activities	4	60,141	29,884	90,025	94,781
Investments	5	30	-	30	48
<b>Total income</b>		<b>61,991</b>	<b>29,884</b>	<b>91,875</b>	<b>97,885</b>
<b><u>Expenditure on:</u></b>					
Raising funds	6	1,531	-	1,531	1,622
Charitable activities	7	68,462	32,366	100,828	78,863
Other	11	117	-	117	67
<b>Total resources expended</b>		<b>70,110</b>	<b>32,366</b>	<b>102,476</b>	<b>80,552</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(8,119)</b>	<b>(2,482)</b>	<b>(10,601)</b>	<b>17,333</b>
Fund balances at 1 April 2016		33,694	17,715	51,409	34,076
<b>Fund balances at 31 March 2017</b>		<b>25,575</b>	<b>15,233</b>	<b>40,808</b>	<b>51,409</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 2017

	Notes	2017 £	£	2016 £	£
<b>Current assets</b>					
Debtors	12	4,923		5,777	
Cash at bank and in hand		85,693		65,874	
		<u>90,616</u>		<u>71,651</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(49,808)</u>		<u>(20,242)</u>	
Net current assets			<u>40,808</u>		<u>51,409</u>
<b>Income funds</b>					
Restricted funds	14		15,233		17,715
Unrestricted funds			25,575		33,694
			<u>40,808</u>		<u>51,409</u>

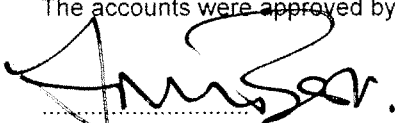
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts 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 accounts, so far as applicable to the company.

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

The accounts were approved by the Trustees on .....

13<sup>th</sup> December 2017



J V M Best  
Trustee

Company Registration No. 06602989



# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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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 Norfolk House East (3rd Floor), 106 - 108 Saxon Gate West, Milton Keynes, Buckinghamshire, MK9 2DN, United Kingdom.

#### 1.1 Accounting convention

The accounts 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)" (as amended for accounting periods commencing from 1 January 2016). 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 accounts 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.

These accounts for the year ended 31 March 2017 are the first accounts of Arts Gateway MK Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### 1.2 Going concern

At the time of approving the accounts, 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 accounts.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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 accounts.

#### 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.

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies (Continued)

#### 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.

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

#### 1.6 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.

#### 1.7 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 2017

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### 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

	2017	2016
	£	£
Donations and gifts	1,820	3,056
	<u>1,820</u>	<u>3,056</u>

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 4 Charitable activities

	Arts Centre	Events	Total 2017	Total 2016
	£	£	£	£
Venue hire fees	56,637	-	56,637	57,904
Membership fees	1,737	-	1,737	1,990
Income from events	-	4,684	4,684	2,168
Grant income	-	25,200	25,200	31,805
Other income	1,767	-	1,767	914
	<u>60,141</u>	<u>29,884</u>	<u>90,025</u>	<u>94,781</u>
Analysis by fund				
Unrestricted funds	60,141	-	60,141	
Restricted funds	-	29,884	29,884	
	<u>60,141</u>	<u>29,884</u>	<u>90,025</u>	
<b>Grant income</b>				
Milton Keynes Council	-	16,200	16,200	11,365
Arts Council	-	15,000	15,000	18,440
Milton Keynes Community Foundation	-	-	-	1,000
The Parks Trust	-	-	-	1,000
	<u>-</u>	<u>25,200</u>	<u>25,200</u>	<u>31,805</u>

### 5 Investments

	2017	2016
	£	£
Interest receivable	<u>30</u>	<u>48</u>

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 6 Raising funds

	2017	2016
	£	£
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	534	-
Staging fundraising events	997	1,622
	<u>1,531</u>	<u>1,622</u>

### 7 Charitable activities

	Arts Centre	Events	Total 2017	Total 2016
	£	£	£	£
Staff costs	11,317	-	11,317	9,298
Artist & venue costs	9,523	21,634	31,157	32,326
General expenses	2,444	-	2,444	4,187
Computer costs	1,335	-	1,335	895
Insurance	1,472	-	1,472	1,431
Office costs	2,282	-	2,282	1,563
Printing, postage & stationery	916	4,294	5,210	614
Property costs	28,519	-	28,519	10,942
Relocation costs	750	-	750	9,497
Consultancy costs	500	5,633	6,133	1,000
Rent	6,000	-	6,000	2,717
Repairs & maintenance	513	-	513	2,950
Subscriptions	389	-	389	-
Travel & subsistence	641	306	947	72
Advertising & marketing	1,220	-	1,220	651
	<u>67,821</u>	<u>31,867</u>	<u>99,688</u>	<u>78,143</u>
Share of governance costs (see note 8)	1,140	-	1,140	720
	<u>68,961</u>	<u>31,867</u>	<u>100,828</u>	<u>78,863</u>
<b>Analysis by fund</b>				
Unrestricted funds	68,462	-	68,462	
Restricted funds	499	31,867	32,366	
	<u>68,961</u>	<u>31,867</u>	<u>100,828</u>	

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 8 Governance costs

	Governance costs £	2017 £	2016 £	Basis of allocation
Legal and professional	38	38	13	Governance
Accountancy	1,102	1,102	707	Governance
	<u>1,140</u>	<u>1,140</u>	<u>720</u>	
Charitable activities	<u>1,140</u>	<u>1,140</u>	<u>720</u>	

### 9 Trustees

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

### 10 Employees

#### Number of employees

The average monthly number employees during the year was: 1

	2017 Number	2016 Number
Fundraising	<u>1</u>	<u>1</u>
<b>Employment costs</b>	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Wages and salaries	10,875	9,078
Social security costs	400	220
Other pension costs	42	-
	<u>11,317</u>	<u>9,298</u>

There were no employees whose annual remuneration was £60,000 or more.

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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<b>11 Other</b>		
	<b>2017</b>	<b>2016</b>
	£	£
Financing costs	117	67
	<u>117</u>	<u>67</u>
	<u><u>117</u></u>	<u><u>67</u></u>
<b>12 Debtors</b>		
	<b>2017</b>	<b>2016</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Trade debtors	408	708
Other debtors	4,515	5,069
	<u>4,923</u>	<u>5,777</u>
	<u><u>4,923</u></u>	<u><u>5,777</u></u>
<b>13 Creditors: amounts falling due within one year</b>		
	<b>2017</b>	<b>2016</b>
	£	£
Government grants	6,358	985
Trade creditors	939	305
Accruals and deferred income	42,511	18,952
	<u>49,808</u>	<u>20,242</u>
	<u><u>49,808</u></u>	<u><u>20,242</u></u>

# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2017 £
	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Transfers £	
MKC Dance Festival	554	-	(860)	402	96
MKC Dance Development	1,852	-	(564)	(402)	886
Motus	-	19,365	(18,442)	-	923
MKC Business Plan	500	-	(500)	-	-
Arts Week	359	10,519	(7,817)	-	3,061
Creative Workspace Network	4,500	-	(1,183)	-	3,317
Culture Challenge	9,950	-	(3,000)	-	6,950
	<u>17,715</u>	<u>29,884</u>	<u>(32,366)</u>	<u>-</u>	<u>15,233</u>

### 15 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2017 are represented by:			
Current assets/(liabilities)	19,575	21,233	40,808
	<u>19,575</u>	<u>21,233</u>	<u>40,808</u>



# ARTS GATEWAY MK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2017*

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### **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 £856 incurred on behalf of the charity for property maintenance, property relocation, event costs and general supplies.

H Parlor, a trustee of the charity, received £1,929 for performance fees in Arts Week and Motus and was reimbursed expenses incurred on behalf of the charity for artist accommodation costs and studio fees of £424.

C Tilt, a trustee of the charity, was reimbursed a total of £72 for expenses incurred for the Motus project and general supplies.

M Christensen, a trustee of the charity, was reimbursed a total of £42 for website costs incurred on behalf of the charity.