

**COMPANY REGISTRATION NO: 02422890**  
**REGISTERED CHARITY NO: 1059678**

**REPORT & CONSOLIDATED FINANCIAL STATEMENTS**

**MK GALLERY**

**(A COMPANY LIMITED BY GUARANTEE)**

**FOR THE YEAR ENDED 31 MARCH 2024**



# **MK GALLERY**

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## **TRUSTEES' REPORT**

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The Trustees, who are also Directors of the charity for the purposes of the Companies Act 2006, are pleased to present their annual report and the audited consolidated financial statements of the charity for the year ending 31 March 2024 which are prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes and to comply with the requirements of the Charity Commission.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

### **Objects of the charity and public benefit**

In consideration of strategies and policies of the charity, the Trustees have due regard for the public benefit in accordance with the Charities Act 2011.

The Charity's objects as set out in its Articles of Association are:

1. 'to promote, maintain, improve and advance the education and understanding of the public, particularly through the production and presentation of and engagement with the arts, visual culture and related areas of creative practice, and to formulate, prepare and establish projects and schemes therefore provided that all objects of the Company shall be of a charitable nature'
- and
2. 'to present, promote, organise, provide, manage, and produce a balanced programme of artistic activity and endeavour, whether on any premises of the Company or elsewhere, as are conducive to the promotion, maintenance, improvement, and advancement of education and understanding of the public, and encouragement of the arts, visual culture, and related areas of creative practice.'

### **Charitable Purpose**

MK Gallery's principal charitable purpose is to promote, maintain, improve, and advance the education and understanding of the public, particularly by the production and presentation of and engagement with the arts, visual culture, and related areas of creative practice.

Its vision is to be one of the UK's leading centres for the arts with a national and international reputation for artistic excellence and innovation and to be a cultural beacon for the city.

### **Mission**

The Gallery's mission is:

To provide access to high quality, innovative and thought-provoking art from around the world and through its programme, stimulate participation and debate, and build relationships between artists and audiences.

**Objectives**

In order to achieve the principal charitable purpose, in line with the vision and mission, the Trustees set out a set of objectives:

1. Build, diversify and increase visitors to the building and create opportunities for artistic/cultural engagement for everyone in the community
  - a. Deliver a broad range of onsite and digital programmes that enable everyone to enjoy, and take part in cultural activity
  - b. Develop an audience strategy that achieves 50,000+ footfall across all programmes from a range of visitors that reflects the demographic of the catchment area
  - c. Develop new programmes and activities for children and young people that build confidence and encourage creativity and critical thinking
  - d. Create opportunities for artists and creatives to develop and share their work and reignite their careers post-Covid
2. Be ambitious and seek partnerships to deliver quality programmes and activities that change lives.
  - a. Work in partnership to develop and strengthen cultural opportunities in Milton Keynes and the South East
  - b. Create opportunities for diverse local communities to develop a sense of ownership and connection with the Gallery and to animate spaces and exchanges with their creative voices, vision, imagination, and curiosity
  - c. Pursue programmes that deliver against the health and wellbeing agenda and impact positively on people's lives
3. Be flexible, dynamic, and creative in the approach to improving financial sustainability and diversity among our workers.
  - a. Build a strong sustainable financial base to enable innovation and risk-taking in the longer term
  - b. Support apprenticeships and paid/unpaid work experience opportunities to incubate and grow the creative talent pool
  - c. Maximise onsite and digital commercial opportunities that appeal to a diverse audience
4. Consider the Gallery's commitment to environmental responsibility and how to embed this in the organisation.
  - a. Understand MK Gallery's environmental impact and develop a strategy to mitigate that impact
  - b. Consider how MK Gallery's programmes can contribute and influence current debate at a local and regional level



#### Public Benefit

The Trustees confirm that they have referred to the Charitable Commission guidance on public benefit when reviewing the Charity's aims and objectives as well as future planning of activities.

Through the delivery of world class exhibitions, engaging public programmes, and inclusive volunteering activity, the Charity has promoted, maintained, improved, and advanced the education and understanding of the public, connecting audiences and participants to current and relevant local and global social concerns including race, gender, Britishness, and immigration.

The Charity's priorities are aligned to its major public funders, Milton Keynes City Council and Arts Council England.

#### Activities and achievements during the year

Exhibitions:

MK Gallery attracted 90,741 visitors to the gallery in 2023/24, which is down on the previous year (114,533). This is due in part to a national picture of resistance to taking risks on leisure costs. Visitors came from across the country, with a small number of visitors attending from overseas.

The 2023/24 exhibitions programme included the end of: 'Trickster Figures: Sculpture and the Body'; the full run of 'Boyd & Evans: High Time' and 'Beyond the Page: South Asian Miniature Painting and Britain, 1600 to Now'; and the beginning of 'Saul Leiter: an Unfinished World'.

The programme overall attracted significant critical acclaim, with extensive and high-profile media coverage, especially for 'Beyond the Page: South Asian Miniature Painting and Britain, 1600 to Now', which attracted a Guardian Editorial and was awarded the Eastern Eye Editors' Special Award at ACTAs 2024 and 'Saul Leiter: an Unfinished World', which attracted many features and reviews. MK Gallery commissioned important new work, managed over 350 artwork loans and worked with one national partner, The Box, Plymouth where 'Beyond the Page' was exhibited.

The exhibitions presented a very diverse programme, supporting artists from minority backgrounds, including from the South Asian diaspora and non-binary, addressing pressing social issues, and engaging with hard-to-reach audiences and partners. A sold-out conference and three major publications were also produced.

Visitor numbers overall were lower than in recent years, despite critical acclaim, although the Boyd & Evans exhibition, especially, resonated strongly with local residents and communities. Anecdotal feedback suggests that changes in audience behaviour post-covid are continuing with the rise in the cost of living and train strikes as contributing factors. At the same time, revenue fundraising exceeded previous records and social media and wider engagement with the cultural sector and arts industry continued to grow significantly.

#### Activities and achievements during the year (continued)

Public programmes:

The Gallery worked with a range of Milton Keynes communities to deliver outcomes which were shared with wider audiences, including; a co-designed project with the Sierra Leone community exploring family history, heritage and migration; a partnership with an South Asian radio station during 'Beyond the Page' resulting in co-created activity such as: a 'Festival of Lights' performance; a Project Space exhibition; a Diwali influenced Family Fun Day; and an MK Gallery Late. From autumn 2023 the Public Programming team worked with five communities as part of a co-curating process for the open, MK Calling 2024. The five groups included MK SNAP, a group of visually impaired adults, a group of young adult creatives, the Middle Eastern Cultural Group, and Q:Alliance.

The family programme included: 4 family days; explore guides; exhibition themed art trails; and the Young Sculptor competition, which received 60 entries with 73 children taking part in artist-led sculpture workshops. Afterschool artist-led workshops for children aged 5-11 continued with success and the team introduced artist master classes during school holidays for 11-14 year olds. Adult creative workshops continued in association with the exhibitions programme and delivered a series of MK Lates, offering informal learning and social engagement opportunities for adults.

The youth offer included: projects for young people facing social and emotional challenges; ARTiculation in partnership with the National Gallery; and 32 different schools and colleges visiting the Gallery (nearly a threefold increase on the previous year). The Boyd & Evans exhibition was particularly popular with schools in Milton Keynes.

The team delivered projects with film, fashion, and music students from MK College and partnered with the University of Nottingham, the University of Loughborough, the Royal Institute of Philosophy, the Art Historian's Society and the Buckinghamshire Society of Architects on a series of Project Space exhibitions, workshops, talks and lectures.

The Inclusive Practice in the Arts programme included: weekly family 'Art & Us' workshops for families with children with complex and additional needs; half-term artist-led 'Art Together' family workshops; Artist-led Sensory Tours; and Our Studio, a monthly supported studio programme which also incorporated a summer take-over of the Project Space. The partnership with MK SNAP delivered co-designed tours with learning disabled adults. Workshops and activities were delivered with national and local partners including: Art Riot, Coventry; Venture Arts, Manchester; Extra Special Families; Little Miracles; VICTOR; and a two-year partnership project with the Pace School in Aylesbury was launched. The inclusion team were invited to share information about the programme at national conferences on creative play and inclusive practice held at: the Attenborough Arts Centre, Leicester; Greenwich Museums, London; and the Baltic, Gateshead.

Audio description, guiding and site loss awareness training were delivered to artists, volunteers and staff to support work with visually impaired audiences. A continued partnership with tmr provided networking opportunities for young diverse creatives and offered commissioning and exhibition opportunities to locally based artists.

Public programme activities were delivered this year with support from Paul Hamlyn Foundation, the Paul Mellon Centre, Milton Keynes Community Foundation, Children in Need, the Austin and Hope Pilkington Trust, Garfield Weston Foundation, the Paul Mellon Foundation, the Royal Institute of Philosophy, and the Art Historians Society.

## TRUSTEES' REPORT (CONTINUED)

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### Activities and achievements during the year (continued)

#### Volunteering:

Despite the national picture of a declining volunteer force, the Gallery recorded 235 volunteers with 199 volunteers giving 8,214 hours of their time to support the charity's activities in 2023/24. This is up by £1,114 hours. On average 80-90 volunteers gave time each month carrying out such activities as invigilating exhibitions, supporting family and adult creative workshops, cinema usher, outreach activity.

#### Trading:

MK Gallery's sustainable finance strategy includes the success of the trading subsidiary, MK Gallery Enterprises Ltd. The subsidiary runs the Sky Room Cinema, the Café, the Shop and Private Hires. In addition, the Gallery made the decision to increase revenue potential by charging admission for all exhibitions and non-educational events.

Overall secondary spend was lower than expected, however the previous year's (2023) efforts to make the subsidiary profitable did see a significant decrease to the company's overall deficit, demonstrating a move towards a more profitable model.

Cinema exceeded expectation, delivering popular shows in partnership with NT Live and collaborating with MK Centre to give more local visibility to the summer programme, Summer Replay.

The Café continued to offer locally sourced produce and has established a partnership with a local brewer, Milk and Beans, which goes from strength to strength. In line with current catering trends the offer caters predominately to vegetarian and vegan dietary requirements with a seasonal menu change.

The shop generated a larger revenue than in previous years and proved that exhibition related merchandise is a key strategy to raising income. This worked particularly well when working with local artists Boyd and Evans.

Private and event hire came close to the budget forecast, with exceptional levels of hire in the autumn. The Gallery struggles to compete locally during the Christmas party season; however, this year (2024) saw an enriched partnership with John Lewis and their communities team, offering Christmas screenings to their community partners.

#### **Future Developments**

The Gallery's first year of operation was a period of significant programme and audience development with footfall figures exceeding all expectations. The impact of Covid-19 and the closure of the building in March 2020 presented numerous challenges for the Board and executive across all areas of the business including cash-flow, long-term revenue fundraising and public exhibitions and education programmes.

The Gallery has used the period since 2021 to build back programmes, audiences and create more suitable resilience within its trading subsidiary and while visitor numbers are not at pre-covid levels (phenomena experienced across the sector), great inroads have been made to re-establish MK Gallery as an outstanding venue for visual art programming that is socially engaged, locally relevant and an asset to MK Council.

In 2024/25, The Gallery will continue to build its business model based on the feedback received from our visitors, our work with our Partners (Arts Council England, MK Council) to ensure we are financially resilient while delivering the charitable Mission to a high standard synonymous with the MK Gallery Brand.

#### **Finance Review**

The financial performance for 2023/24 and the financial position on the balance sheet are set out in this report. In particular the Statement of Financial Activity (SOFA), which includes both unrestricted and restricted, shows the performance of the group during 2023/24.

The principal Charity income for the year is made up of unrestricted annual subsidies from Milton Keynes Council totalling £304,675 (2023: £286,936), and unrestricted funding from Arts Council England of £390,360 (2023: £390,360).

Further funds were raised through income generation from exhibition admissions; exhibition hire fees; sales of limited-edition artworks; and exhibition catalogues. During the previous year the Gallery moved to charging admission to all exhibitions to increase revenue with additional access day such as £1 residential Tuesdays and pay what you can Sundays.

Total expenditure for the group was £2,109,740 (2023: £2,216,574) of which £1,972,688 (2023: £2,032,245) was spent on the charitable activities i.e., operation of the art gallery. This included; £841,165 (2023: £927,690) of staff costs; £437,047 (2023: £376,637) of exhibition and public programming costs; £277,820 (2023: £230,464) of premises costs; and £278,699 of depreciation (2023: £279,245).

The cost of governance activities was £19,046 (2023: £19,436). Direct governance costs have been included in accordance with the SORP 2019 and include audit fees, legal fees, and Trustee expenses.

MK Gallery Enterprises Limited, reported a loss of £8,088 (2023: loss of £17,809) which is a better than the budget forecast position. MK Gallery Enterprises Limited operates all commercial trading operations carried out on the Gallery premises. The operations in the subsidiary continued to be reorganised during the year ending in a better than budgeted position. Further plans to increase yield in each area will support the continued growth of the subsidiary.

The Trustees are fully aware of the need to protect the Charity's funds beyond the period of committed support from Milton Keynes Council whilst ensuring that the charity can fulfil the key charitable objectives in the short and medium term.

## MK GALLERY

### TRUSTEES' REPORT (CONTINUED)

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The Charity's financial forecasts and strategies were examined while preparing the Forward Plan 2023 - 2026; those continue to be monitored and tested through its financial controls and reporting systems.

#### Financial Summary

The year-end financial position for the charitable group (to the nearest thousand) was as follows:

	£
Unrestricted funds carried forward	
General surplus	100,000
Capital fund	10,752,000
Designated funds carried forward	
Capital construction fund	(3,000)
Capital renewal fund	600,000
Restricted funds	288,000
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Net assets	£11,737,000
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#### Going concern

The financial statements have been prepared on an on-going concern basis. Trustees consider that there is reasonable expectation that the charitable company and group have sufficient resources to continue in operational existence for the foreseeable future and for this reason they have adopted the going concern basis in preparing the financial statements.

#### Reserves policy

The trustees have considered the level of reserves required to maintain sufficient working capacity to operate the Gallery in the most efficient manner and to meet unforeseen liabilities that may arise. The Trustees have therefore established a reserves policy that aims to protect the charity's activities from risk of disruption at short notice due to lack of funds.

They take the view that the nature of MK Gallery's consolidated cash flows is such that they have set as a medium-term objective to maintain an unrestricted reserve, excluding benefit pension liabilities, at a level of 3 months operation or £350,000.

At March 2024, restricted funds in the company stand at £287,687, and unrestricted funds as £217,513 and designated funds at £597,255. Free reserves of the group as of 31<sup>st</sup> March 2024 were £100,145.

**Reserves policy (continued)**

At 31 March 2024 the building contract retention remains outstanding. The final contract sum has been agreed between Bowmer & Kirkland and MK Gallery but due to Covid-19 and closure the rectification period has been extended.

To regain the level of reserves necessary the Gallery will undergo a review of income, expenditure, and investment in 2024/2025.

In the view of the Trustees the free reserves are sufficient at the current time as the decision can be taken to reverse any designations in the event the funds are needed for general purposes.

**Investment Policy**

Trustees have the power to invest funds not immediately required from operational purposes such as securities or properties as they see fit. The underlying investment policy is to accept only a low-level risk, therefore available funds are invested through a charitable investment portfolio with Ruffer LLP.

MK Gallery operates a policy of investing a minimum sum of £1,000,000 (plus accumulated value) relating to the current Development Fund long-term with an investment manager.

MK Gallery assets are invested in line with its aims, in such a way that enables the trust to achieve its goals in both the short and long term. The Trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the trust's purpose. Such instructions may be issued to the Investment Manager on behalf of the trust by the Finance and Operations Committee.

Investment in 2024 represented losses of £95,255 due to the realisation of assets for cashflow purposes and poor performance in the financial markets. The Board made the decision to release a further £170,000 of funds to invest in high interest accounts to ensure a level of interest in the short term and to support the cashflow. Following this, a small working group met with Ruffer to gain assurance of the investment policy and strategy going forward. It was agreed to continue to invest the remaining capital with Ruffer.

## **MK GALLERY**

### **TRUSTEES' REPORT (CONTINUED)**

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#### **Assets**

In the opinion of the Trustees, the charitable company's assets are sufficient to fulfil the obligations of the Charity.

#### **Trustee Liability Insurance**

Liability Insurance exists for the benefit of all Trustee Directors.

#### **Legal and Administrative Details**

The Charity is MK Gallery (registered number 1059678) and is constituted as a private limited company limited by guarantee (registered number 02422890). The principal and registered address is MK Gallery, 3 Theatre Walk, Central Milton Keynes, MK9 3PX. All current Trustees stand as guarantors to the company in the sum of £1 each.

#### **Trustees**

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees and Officers serving during the year were as follows:

Chair	Elizabeth Gifford Asase Amoah Cllr Robin Bradburn (passed away 14 September 2024) Susan Carbert David Danskin (resigned 7 November 2023) Natalie Drought (appointed 31 January 2024) Cllr David Hopkins David King Cllr Shanika Mahendran (appointed 17 November 2023) Cllr Pete Marland (resigned 7 November 2023) Roselyn Mascarenhas Fidele Mutwarasibo Ranjit Singh (appointed 11 June 2024) Neil Smith Anthony Spira Sarah Westacott Sunita Yeomans
Company Secretary	David Danskin (resigned 7 November 2023)
Gallery Director	Anthony Spira
Deputy Director	Francis Ranford

All current Trustees stand as guarantors to the company in the sum of £1 each.

## **MK GALLERY**

### **TRUSTEES' REPORT (CONTINUED)**

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The trading subsidiary of MK Gallery is MK Gallery Enterprises Ltd. The Directors of the subsidiary company who served during this year and up to the date of this report were:

Chair	David King David Danskin (resigned 17 November 2023) Susan Carbert Anthony Spira
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#### **Advisers**

The following acted as advisers to the charity during the year:

<b>Bankers</b> METRO Bank One Southampton Row London WC1B 5HA	<b>Auditors</b> HW Bedford Ltd Woburn Court 2 Railton Road Kempston Bedford MK42 7PN	
<b>HR Consultants</b> ARC HR Solutions 44 Blanchland Circle Monkston Milton Keynes MK10 9GP	<b>Solicitors</b> HCR Hewitsons 50-60 Station Road Cambridge CB1 2JH	<b>Accountants</b> Monico Tunley Ltd 19 Goldington Road Bedford MK40 3JY

#### **Structure, Governance and Management**

MK Gallery, established in 1999 as Milton Keynes Theatre and Gallery Company, is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association which were formally adopted on 20 February 2014.

The Board of Trustees has responsibility for the ongoing strategic direction of MK Gallery and its subsidiary MK Gallery Enterprises Ltd, overseeing finances and approving the budget, working with the Gallery Director and Deputy Director in the development and implementation of policy to meet the Gallery's objects and to ensure it meets its statutory duties. The Board meet at least four times a year and a Finance and Operations Committee meets on a quarterly basis.

Day to day management is delegated to the Gallery Director, Anthony Spira, the Deputy Director Francis Ranford, and the Senior Leadership Team: Niki Braithwaite, Head of Public Programmes, Fay Blanchard, Head of Exhibitions, Cherelle Cunningham, Head of Marketing and Audience Development and Andrew Papworth, Head of Catering and Events.



### TRUSTEES' REPORT (CONTINUED)

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#### Trustee (Director) recruitment

The Articles provide that two directors shall be appointed who are members of Milton Keynes City Council in accordance with the nomination of the city council. Other directors may not be members or officers of the City Council and may be appointed after recommendation of the Directors after they have considered:

- Making such a recommendation after the advertisement of the vacancy and the response to an advertisement.
- Aiming for a board of Directors with a range of skills, experience, and abilities relevant to the objectives and activities; and
- Aiming for a board of Directors that is representative of Milton Keynes.

Each Trustee serves for a three-year term from the date of his or her appointment. The Trustees may resolve to re-appoint a Trustee for a further term. The exceptions to this rule are Trustees nominated by Milton Keynes Council, who are appointed on an annual basis and the Gallery Director, who has been appointed as company Director as per the amendments to the Articles in 2022.

New Trustees receive induction and training through meetings with the Chair, Director, and staff of the Charity and through receipt of the Charity Commission's *The Essential Trustee*, a copy of the charity's Articles of Association and other key internal documents including the most recent Business Plan and Board papers.

As the charitable company is limited by guarantee, not having any share capital, none of the Trustees hold any interest in the charitable company or hold any right to subscribe to shares.

#### Remuneration of Key Management Personnel

Remuneration of management personnel is set by comparison internally with similar posts and, when possible, benchmarking with similar organisations through peer networks such as Plus Tate.

#### Inclusive employer

MK Gallery is committed to being an inclusive employer, ensuring barriers to employment are removed and that the working environment is an open, safe place to work. The Gallery achieved Disability Confident Employer status in 2023.

#### Related parties

None of the Trustees receive remuneration or other benefit from their work with the charity. Any connection between a Trustee or senior manager of the charity with an artist, contractor, performer or other supplier must be disclosed to the full Board in the same way as any other contractual relationship with a related party.

The charity's wholly owned subsidiary, MK Gallery Trading Limited, was established in 2002 to undertake some or all of the commercial activities of MK Gallery. This subsidiary ceased trading in 2021 and is in the process of being wound up.

The Board authorised the set-up of a new trading company, MK Gallery Enterprises Limited, in October 2018 for all the Gallery's trading activities. The Board started meeting regularly from 2019 to review the Gallery's commercial activities.

**Risk Management**

The Trustees actively and regularly review the major risks to which MK Gallery is exposed and have implemented procedures to manage and minimise any impact should any of the identified risks materialise. A Risk Management policy, supported by an organisational risk register, is maintained setting out an assessment of the likelihood and impact of risk with required actions identified to manage risk, which is monitored no less than quarterly.

The Trustees are satisfied that there are clear lines of delegation and authority to teams regarding risk management and that the team are aware of the need to address risk in their area.

Key risks are:

- Threat to financial stability with stand still core funding, a more competitive fundraising landscape, an unstable financial market, rising costs of goods and services and the impact to cost of living on our customers and teams.
- A reduced capacity team leading to more mental health risks as individuals take on more work in order to maintain a quality cultural service.
- A need to refurbish and refresh IT services, and integral capital items such as Air Handling Units, boilers, etc.
- The level of restricted funds liability in the accounts, dating back to 2019.

**Fundraising activities**

MK Gallery actively pursues funding from grant makers (trusts, foundations, and public funders), corporate sponsorships and individuals to fund charitable activities. MK Gallery works with others to increase the fundraising opportunities including academic partners, specialist sector organisations, charities that align with the purpose and community partners.

The Gallery offers the option to gift aid admission charges, and to make donations online or onsite at one of the donation stations.

MK Gallery does not employ the services of professional or commercial fundraisers. MK Gallery does not take street collections or telephone campaigns. Where Mk Gallery collects personal information, this is managed in line with our Data Protect Policy.

**TRUSTEES' REPORT (CONTINUED)**

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**Statement of Disclosure of Information to Auditor**

In so far as the Trustees are aware:

- (a) there is no relevant information of which the group's auditor is unaware, and
- (b) the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

A resolution to reappoint HW Bedford Ltd as auditor to the Charity and to authorise the Trustees to fix their remuneration will be proposed at the next General Meeting.

This report has been prepared under the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

**Approved by the Board and signed on its behalf by**



**E Gifford**  
**Chairman**

**Date:** 20/12/2024

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The Trustees (who are also the directors of MK Gallery for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MK GALLERY**

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**Opinion**

We have audited the financial statements of MK Gallery (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise of the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Trustees Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MK GALLERY**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the Trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MK GALLERY**

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### **Auditor responsibilities for the audit of the financial statements (continued)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the nature of the sector in which the charitable company group operates, including the legal and regulatory framework applicable to the charitable company group. We consider that the most significant are the Charities Statement of Recommended Practice, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the parent charitable company's Memorandum and Articles of Association.
- We obtained an understanding of how the charitable company group complies with these requirements by discussions with those charged with governance and reviewing the minutes of Trustee meetings.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with those charged with governance.
- We inquired of those charged with governance about their own identification and assessment of the risk of irregularities, including any known actual, suspected or alleged instances of fraud.
- We discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to irregularities or fraud.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

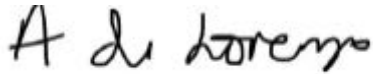
A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MK GALLERY**

**Use of the audit report**

This report is made solely to the charitable 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body for our audit work, for this report, or for the opinions we have formed.



Alberto Di Lorenzo (Senior Statutory Auditor)

for and on behalf of HW Bedford Ltd

Accountants and Statutory Auditor  
Woburn Court  
2 Railton Court  
Kempston  
Bedford  
MK42 7PN

Date: 23/12/2024

HW Bedford Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



# MK GALLERY

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds £	Restricted funds £	Total 2024 £	As restated Total 2023 £
	Notes				
<b>Income:</b>					
<i>Income from charitable activities:</i>					
Grants and donations	5	865,690	354,209	1,219,899	1,091,268
Other income		210,089	-	210,089	58,543
<i>Income from other trading activities:</i>					
Commercial trading operations		342,069	-	342,069	419,502
Investment income	6	667	-	667	58
<b>Total income</b>		<b>1,418,515</b>	<b>354,209</b>	<b>1,772,724</b>	<b>1,569,371</b>
<b>Expenditure:</b>					
Raising funds	7	137,052	-	137,052	184,329
<i>Expenditure on charitable activities:</i>					
Operation of art gallery	8	1,623,173	349,515	1,972,688	2,032,245
<b>Total expenditure</b>		<b>1,760,225</b>	<b>349,515</b>	<b>2,109,740</b>	<b>2,216,574</b>
Unrealised gain/(loss) on investments	6	(95,255)	-	(95,255)	279
<b>Net income/(expenditure)</b>		<b>(436,965)</b>	<b>4,694</b>	<b>(432,271)</b>	<b>(646,924)</b>
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds for the year</b>		<b>(436,965)</b>	<b>4,694</b>	<b>(432,271)</b>	<b>(646,924)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		11,886,351	282,993	12,169,344	12,816,268
<b>Total funds carried forward</b>	21, 22	<b>11,449,386</b>	<b>287,687</b>	<b>11,737,073</b>	<b>12,169,344</b>

The notes on pages 23 to 45 also form part of these financial statements.

# MK GALLERY

## CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS (COMPANY NUMBER 02422890) AS AT 31 MARCH 2024

	Notes	Group		Charitable company	
		2024	As restated 2023	2024	As restated 2023
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	16	10,456,416	10,747,200	10,456,416	10,747,200
Investments	17	1,075,829	1,444,925	1,076,029	1,445,125
<b>Total fixed assets</b>		<b>11,532,245</b>	<b>12,192,125</b>	<b>11,532,445</b>	<b>12,192,325</b>
<b>Current assets:</b>					
Stock		25,884	27,916	13,358	10,528
Debtors	18	268,517	212,551	385,493	333,255
Cash at bank and in hand		136,081	61,371	128,426	48,898
<b>Total current assets</b>		<b>430,482</b>	<b>301,838</b>	<b>527,277</b>	<b>392,681</b>
<b>Liabilities:</b>					
Creditors falling due within one year	19	(225,654)	(324,619)	(205,281)	(314,626)
<b>Net current assets / (liabilities)</b>		<b>204,828</b>	<b>(22,781)</b>	<b>321,996</b>	<b>78,055</b>
Total assets less current liabilities		11,737,073	12,169,344	11,854,441	12,270,380
<b>Net assets</b>		<b>11,737,073</b>	<b>12,169,344</b>	<b>11,854,441</b>	<b>12,270,380</b>
<b>The funds of the charity:</b>					
<b>Unrestricted funds</b>					
General income fund	21	100,145	195,328	217,513	296,364
General capital fund	21	10,751,986	10,973,775	10,751,986	10,973,775
Designated funds	21	597,255	717,248	597,255	717,248
<b>Total unrestricted funds</b>		<b>11,449,386</b>	<b>11,886,351</b>	<b>11,566,754</b>	<b>11,987,387</b>
<b>Restricted funds</b>					
Restricted income funds	21	287,687	282,993	287,687	282,993
<b>Total restricted funds</b>		<b>287,687</b>	<b>282,993</b>	<b>287,687</b>	<b>282,993</b>
<b>Total charity funds</b>	22	<b>11,737,073</b>	<b>12,169,344</b>	<b>11,854,441</b>	<b>12,270,380</b>

The notes on pages 23 to 45 also form part of these financial statements.

**MK GALLERY**

**CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS  
(COMPANY NUMBER 02422890)  
AS AT 31 MARCH 2024 (CONTINUED)**

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These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**Approved by the board, authorised for issue and signed on its behalf by**

A handwritten signature in black ink, appearing to read 'E Gifford', written over a horizontal line.

**E Gifford  
Chairman**

**Date:** 20/12/2024

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2024**

	<b>Group</b>		<b>Charitable company</b>	
	<b>2024</b>	<b>As restated 2023</b>	<b>2024</b>	<b>As restated 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>				
Net movement in funds	(432,271)	(646,924)	(415,939)	(629,115)
Less interest income shown in investing activities	(667)	(58)	(667)	(58)
Add depreciation	278,699	279,245	278,699	279,245
Less unrealised gain/add unrealised loss	95,255	(279)	95,255	(279)
(Increase)/Decrease in stock	2,032	7,653	(2,830)	(289)
Decrease in debtors	(55,966)	(68,673)	(52,238)	(19,641)
Increase/(Decrease) in creditors	(98,965)	(14,463)	(109,345)	(2,645)
Add investment management fees paid from fixed asset portfolio	3,841	17,767	3,841	17,767
<b>Net cash used in operating activities</b>	<b>(208,042)</b>	<b>(425,732)</b>	<b>(203,224)</b>	<b>(355,015)</b>
<b>Cash flows from investing activities:</b>				
Interest received	667	58	667	58
Net disposals of listed investments	270,000	294,000	270,000	294,000
Adjustment to previous fixed asset additions	12,891	42,954	12,891	42,954
Purchase of tangible fixed assets	(806)	(1,115)	(806)	(1,115)
<b>Net cash provided by/(used in) investing activities:</b>	<b>282,752</b>	<b>335,897</b>	<b>282,752</b>	<b>335,897</b>
<b>Change in cash and cash equivalents in the year</b>	<b>74,710</b>	<b>(89,835)</b>	<b>79,528</b>	<b>(19,118)</b>
Cash and cash equivalents at the beginning of the year	61,371	151,206	48,898	68,016
<b>Total cash and cash equivalents at the end of the year</b>	<b>136,081</b>	<b>61,371</b>	<b>128,426</b>	<b>48,898</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**1 Accounting policies**

**a) Basis of preparation**

The financial statements have been prepared in accordance with 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

MK Gallery constitutes a public benefit entity as defined by FRS 102.

**Going concern**

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The Trustees consider the going concern basis to be appropriate due to the current level of reserves and the fact the charity raised all necessary funds needed for the capital project which, at the end of the year, was complete.

**b) Group financial statements and basis of consolidation**

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, MK Gallery Enterprises Limited and MK Gallery Trading Limited, on a line-by-line basis. A separate statement of financial activities and income and expenditure account for the charity itself has not been presented itself because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

**c) Volunteers and donated services and facilities**

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report.

**d) Short term employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the statement of financial activities in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**e) Income**

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Grants and donations for capital purposes are recognised on a receivable basis.

Income from commercial trading activities is recognised as earned as the related goods and services are provided.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned as the related services are provided. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when performance related grants are received in advance of the exhibitions or education programmes to which they relate.

**f) Expenditure**

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Expenditure on capital items is capitalised and included within fixed assets when it becomes payable.

Charitable activities include expenditure related to the overall administration and development of the art gallery complex in Milton Keynes. It includes both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

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1 Accounting policies (continued)

f) Expenditure (continued)

Expenditure is classified under activity headings relating to the exhibition programme, the education programme and the events programme of the charity. Expenditure that is not directly attributable to each activity is apportioned between the activities of the charity according to criteria appropriate to the nature of the expenditure. Expenditure is allocated to support costs using the bases stated in note 9.

g) Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT on revenue expenditure is included within support costs and irrecoverable VAT on capital costs is capitalised as part of the cost of the fixed asset.

h) Fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Property Improvements under the course of construction	Not depreciated
Capital constructions	1.25% on cost per annum
Furniture, fittings and equipment	20% on cost per annum
Computer equipment	33% on cost per annum

i) Fixed asset investments

Investment income is accounted for when due.

Realised gains and losses are accounted for by reference to the sale proceeds and either the last balance sheet valuation, or the cost of the purchase if later. Unrealised gains and losses are calculated by comparing the previous balance sheet valuation, or cost of purchase if later, to the valuation at the year end.

j) Financial instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of financial activities in support costs.

Cash at bank and in hand consists of cash and amounts held in bank accounts.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**1 Accounting policies (continued)**

**k) Funds**

The company has the following funds:

*Unrestricted funds:* These represent funds which can be expended as the Trustees see fit, in accordance with the charitable objects of the company.

*Designated funds:* These are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

*Restricted income funds:* These represent income received, which can only be expended for the purpose specified by the donor.

*Unrestricted capital funds:* The charity's restricted capital funds are those raised for the capital project. Annual depreciation is charged against the fund. The closing balance represents funds held in the restricted capital project fixed asset and equates to the net book value of the associated restricted fixed asset.

**2 Key areas of judgement and estimate**

In applying the accounting policies, the Trustees have made critical accounting judgments, estimates and assumptions. These estimates and assumptions are based on historical experience and are reviewed on a continual basis. Actual results may differ from the 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.

The total cost of the capital project has been broken down using component accounting to include the shorter life assets within the category of furniture, fittings and equipment rather than capital constructions. The assets have been categorised according to their useful lives which have been chosen to reflect the expected life of the asset and are then depreciated accordingly. There are no indications of impairment of the capital constructions.

**3 Limited liability**

The company is limited by guarantee and therefore has no share capital. The liability of the members is limited by guarantee to £1 each.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 4 Comparative Statement of Financial Activities

The Consolidated Statement of Financial Activities for the year ended 31 March 2023 is presented for illustrative purposes.

	Notes	Unrestricted funds £	Restricted funds £	As Restated Total £
Income:				
<i>Income from charitable activities:</i>				
Grants and donations		866,761	224,507	1,091,268
Other income		58,543	-	58,543
<i>Income from other trading activities:</i>				
Commercial trading operations		419,502	-	419,502
Investment income		58	-	58
Total income		1,344,864	224,507	1,569,371
Expenditure:				
Raising funds		184,329	-	184,329
<i>Expenditure on charitable activities:</i>				
Operation of art gallery		1,760,308	271,937	2,032,245
Total expenditure		1,944,637	271,937	2,216,574
Unrealised (loss)/gain on investments		279	-	279
Net income/(expenditure)		(599,494)	(47,430)	(646,924)
Transfers between funds		69,523	(69,523)	-
Net movement in funds for the year		(529,971)	(116,953)	(646,924)
Reconciliation of funds:				
Total funds brought forward		12,416,322	399,946	12,816,268
Total funds carried forward		11,886,351	282,993	12,169,344

The unrestricted funds balance of £11,886,351 is made up of £11,169,103 income and capital funds and £717,248 designated funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**5 Voluntary income**

**2024 (Group)**

	<b>Unrestricted 2024</b>	<b>Restricted 2024</b>	<b>Restricted Capital 2024</b>	<b>Total 2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Grants receivable:</b>				
Milton Keynes Council:				
Deed of Variation	229,675	-	-	229,675
Gallery subsidy	75,000	-	-	75,000
Other grants	-	-	-	-
Trusts and foundations	1,000	160,844	-	161,844
Public grants	-	56,293	-	56,293
Arts Council England	390,360	-	-	390,360
<b>Total grants receivable</b>	<b>696,035</b>	<b>217,137</b>	<b>-</b>	<b>913,172</b>
Donations	169,655	137,072	-	306,727
	<b>865,690</b>	<b>354,209</b>	<b>-</b>	<b>1,219,899</b>

**2023 (Group)**

	<b>Unrestricted 2023</b>	<b>Restricted 2023</b>	<b>Restricted Capital 2023</b>	<b>Total 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Grants receivable:</b>				
Milton Keynes Council:				
Deed of Variation	206,936	-	-	206,936
Gallery subsidy	80,000	-	-	80,000
Other grants	-	-	-	-
Trusts and foundations	-	142,922	-	142,922
Public grants	-	33,500	-	33,500
Arts Council England	390,360	7,053	-	397,413
<b>Total grants receivable</b>	<b>677,296</b>	<b>183,475</b>	<b>-</b>	<b>860,771</b>
Donations	189,465	41,032	-	230,497
	<b>866,761</b>	<b>224,507</b>	<b>-</b>	<b>1,091,268</b>

Under a historic agreement with Milton Keynes Council, the Council undertook to provide the company with an annual subsidy of £100,000 towards the gallery's operational costs. As at 31 March 2024, a total of £2,524,998 (2023: £2,449,998) has been received since 1998. Of this, £75,000 (2023: £80,000) is included in this year's financial statements which is lower than previous years due to a reduction in funding. A further agreement with Milton Keynes Council commenced in November 2011 to provide an index-linked grant of £150,000 per annum under a Deed of Variation. £229,675 has been included as income in the year ended 31 March 2024 (2023: £206,936).

Under its NPO scheme ACE provided the company with a grant of £390,360 towards gallery operational costs for the year ended 31 March 2024 (2023: £390,360). There were several public grants received during the year toward the costs of charitable activities including grants for the capital project from ACE and Milton Keynes Council.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**6 Investment income from current assets**

	<b>Group 2024 £</b>	<b>2023 £</b>
Deposit interest receivable	-	-
Bank interest receivable	667	58
	<u>667</u>	<u>58</u>

**Investment income from fixed asset investments**

	<b>Group 2024 £</b>	<b>2023 £</b>
Unrealised gains/(losses) on listed investments portfolio	(95,255)	279
	<u>(95,255)</u>	<u>279</u>

**7 Costs of generating funds**

	<b>Unrestricted 2024 £</b>	<b>Restricted 2024 £</b>	<b>Group 2024 £</b>	<b>Group 2023 £</b>
Commercial trading operations	137,052	-	137,052	167,289
Investment management fees	-	-	-	17,040
	<u>137,052</u>	<u>-</u>	<u>137,052</u>	<u>184,329</u>

All figures for 2023 relate to unrestricted funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**8 Analysis of expenditure on charitable activities**

	<b>Exhibitions and running the Gallery £</b>	<b>Public programme £</b>	<b>Total 2024 £</b>
Exhibition costs	317,919	-	317,919
Public programming costs	-	119,128	119,128
Premises costs	111,128	83,346	194,474
Marketing and development costs	50,433	37,825	88,258
Travel costs	139	104	243
Depreciation	139,349	111,480	250,829
Staff costs	382,567	137,162	519,729
Support costs (see note 9)	277,837	185,225	463,062
Governance costs (see note 9)	11,428	7,618	19,046
	<u>1,290,800</u>	<u>681,888</u>	<u>1,972,688</u>
Total expenditure on charitable activities	<u>1,290,800</u>	<u>681,888</u>	<u>1,972,688</u>

Expenditure on charitable activities was £1,972,688 (2023: £2,032,245) of which £173,843 (2023: £184,077) was restricted in respect of exhibition costs, £165,824 was restricted in respect of public programming costs (2023: £68,032), £9,065 was restricted in respect of development costs (2023: £11,980), £nil was restricted in respect of premises costs (2023: £4,800) and £783 was restricted in respect of support costs (2023: £5,196). The remaining amount of £1,623,173 (2023: £1,760,308) was unrestricted. 100% of support costs are allocated to expenditure on charitable activities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**


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**9 Analysis of support and governance costs**

<b>2024</b>	<b>Support costs £</b>	<b>Governance costs £</b>	<b>Total 2024 £</b>	<b>Basis of apportionment</b>
Salary costs	204,531	5,000	209,531	Time spent
Other staff costs	2,402	-	2,402	Invoiced cost
Travel costs	104	-	104	Invoiced cost
Marketing and development costs	37,824	-	37,824	Invoiced cost
Premises costs	83,346	-	83,346	Office space
Accountancy – accounts preparation services	-	3,500	3,500	Governance
Accountancy – general support services	4,773	-	4,773	Invoiced cost
Audit fees	-	9,500	9,500	Governance
Professional fees	12,551	-	12,551	Invoiced cost
Memberships/subscriptions	1,860	-	1,860	Invoiced cost
Trustee insurance	-	1,046	1,046	Governance
Bank charges	9,585	-	9,585	Total cost
Depreciation	27,870	-	27,870	Office space
Irrecoverable VAT	6,938	-	6,938	Total cost
Sundry costs	(16,549)	-	(16,549)	Invoiced cost
IT and telephone costs	84,882	-	84,882	Invoiced cost
Printing and postage costs	2,945	-	2,945	Invoiced cost
<b>Total</b>	<b>463,062</b>	<b>19,046</b>	<b>482,108</b>	

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**9 Analysis of support and governance costs (continued)**

<b>2023</b>	<b>Support costs £</b>	<b>Governance costs £</b>	<b>Total 2023 £</b>	<b>Basis of apportionment</b>
Salary costs	101,159	5,000	106,159	Time spent
Other staff costs	16,518	-	16,518	Invoiced cost
Travel costs	470	-	470	Invoiced cost
Marketing and development costs	38,714	-	38,714	Invoiced cost
Premises costs	69,139	-	69,139	Office space
Accountancy – accounts preparation services	-	3,500	3,500	Governance
Accountancy – general support services	11,918	-	11,918	Invoiced cost
Audit fees	-	9,500	9,500	Governance
Professional fees	21,712	-	21,712	Invoiced cost
Memberships/subscriptions	8,141	-	8,141	Invoiced cost
Trustee insurance	-	1,436	1,436	Governance
Bank charges	9,654	-	9,654	Total cost
Depreciation	27,925	-	27,925	Office space
Irrecoverable VAT	33,087	-	33,087	Total cost
Sundry costs	323	-	323	Invoiced cost
IT and telephone costs	81,909	-	81,909	Invoiced cost
Printing and postage costs	6,228	-	6,228	Invoiced cost
<b>Total</b>	<b>426,897</b>	<b>19,436</b>	<b>446,333</b>	

**10 Net income/(expenditure) for the year**

This is stated after charging:

	<b>Group 2024 £</b>	<b>2023 £</b>
Auditors' remuneration for audit services	9,500	9,500
Depreciation	278,699	279,245

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**11 Staff costs**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	722,661	802,399
Social security costs	58,022	63,537
Other pension costs	60,482	61,754
	<u>841,165</u>	<u>927,690</u>

One employee received remuneration in the band £75,000 to £85,000 during the year (2023: one in the band £75,000 to £85,000). Pension costs in the year for the provision of a defined contribution scheme in respect of this employee amounted to £7,501 (2023: £7,282).

The charity trustees were not paid any remuneration in the year (2023: £nil), neither were they reimbursed expenses during the year (2023: £nil).

The key management personnel of the parent charity and the group comprise the Trustees, the Gallery Director, the Deputy Director, and the Head of Development and Communications. For the previous year, the key management personnel were the Trustees, the Gallery Director, the Deputy Director and the Head of Development and Communications. The total employee benefits of the key management personnel of the charity were £132,051 (2023: £122,080).

The average number of persons employed by the group during the year was 34 (2023: 43).

**12 Pension costs**

The company and its subsidiary make contributions into a group of personal pensions on behalf of their employees. The assets of the scheme are held separately from those of the company. The pension cost charge for the period represented contributions payable by the company and its subsidiary and amounted to £60,482 (2023: £61,754). At the year end there were contributions outstanding of £6,302 which are included in other creditors (2023: £6,332). Pension costs are allocated to restricted funds when such costs are covered by restricted funding.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**13 Taxation**

As a registered charity, the company is not in normal circumstances subject to corporation tax. As a result, the Trustees are of the opinion that no material corporation tax liability will arise on the activities undertaken during this year.

The following relates to the trading subsidiary's corporation tax charge:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Domestic current year tax		
UK corporation tax	-	-
	<hr/>	<hr/>
Current tax charge	-	-
	<hr/>	<hr/>
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	-	-
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by the standard rate of U.K. corporation tax of 19.00% (2023: 19.00%)	-	-
Effects of:		
Gift Aid donations	-	-
Capital allowances in excess of depreciation	-	-
Depreciation in excess of capital allowances	-	-
	<hr/>	<hr/>
Current tax charge	-	-
	<hr/>	<hr/>

The subsidiary MK Gallery Trading Limited's result for the year gives rise to a current tax charge of £nil for the year ended 31 March 2024 (2023: £nil).

The subsidiary MK Gallery Enterprises Limited's result for the year gives rise to a current tax charge of £nil for the year ended 31 March 2024 (2023: £nil).



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 14 Financial activities of the charity

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiaries, MK Gallery Enterprises Limited and MK Gallery Trading Limited.

A summary of the financial activities by the charity is set out below:

	2024	As restated 2023
	£	£
<b>Gross income</b>	1,438,898	1,150,148
Total expenditure	(1,854,837)	(1,779,263)
<b>Net income</b>	(415,939)	(629,115)
Total funds brought forward	12,270,380	12,899,495
<b>Total funds carried forward</b>	11,854,441	12,270,380
<b>Represented by:</b>		
Restricted income funds	287,687	282,993
Designated funds	597,255	717,248
Unrestricted income funds	217,513	296,364
Unrestricted capital funds	10,751,986	10,973,775
	11,854,441	12,270,380

### 15 Financial activities of the trading companies

The wholly owned trading subsidiaries MK Gallery Trading Limited (MKGT) and MK Gallery Enterprises Limited (MKGE), which are incorporated in the United Kingdom, usually pay all taxable profits to the charity by gift aid. No Gift Aid payment was made in the year so that funds were retained in the subsidiary for use in the following year. The trading subsidiaries operate the art gallery and all commercial trading operations carried on at the art gallery premises. The charity owns the entire share capital of 100 ordinary shares of £1 each in each company. A summary of the trading results is shown below.

	MKGE 2024	MKGE 2023	MKGT 2024	MKGT 2023
	£	£	£	£
<b>Turnover</b>	342,069	419,502	-	-
Cost of sales & administration costs	(350,157)	(437,311)	-	-
<b>Net loss</b>	(8,088)	(17,809)	-	-
Amount gift aided to the charity	-	-	-	-
<b>Taken to reserves in subsidiary</b>	(8,088)	(17,809)	-	-
<b>The assets and liabilities of the subsidiary were:</b>				
Current assets	29,814	44,566	-	9,384
Current liabilities	(147,082)	(153,746)	-	(1,140)
Total net (liabilities)/assets	(117,268)	(109,180)	-	8,244
<b>Aggregate share capital and reserves</b>	(117,268)	(109,180)	-	8,244

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## 16 Tangible fixed assets

	Group	Group	Group	Group
	Capital construc- tions £	Furniture, fittings and equipment £	Computer equipment £	Total £
<b>Cost</b>				
As at 1 April 2023 – as restated	11,051,112	820,691	42,010	11,913,813
Additions	-	-	806	806
Adjustment	(13,750)	(9,411)	-	(23,161)
At 31 March 2024	11,037,362	811,280	42,816	11,891,458
<b>Depreciation</b>				
At 1 April 2023 – as restated	553,103	578,540	34,970	1,166,613
Charge for the year	138,676	135,769	4,254	278,699
Adjustment	(859)	(9,411)	-	(10,270)
At 31 March 2024	690,920	704,898	39,224	1,435,042
<b>Net book value</b>				
At 31 March 2024	10,346,442	106,382	3,592	10,456,416
At 31 March 2023 – as restated	10,498,009	242,151	7,040	10,747,200
	Company	Company	Company	Company
	Capital construc- tions £	Furniture, fittings and equipment £	Computer equipment £	Total £
<b>Cost</b>				
As at 1 April 2023 – as restated	11,051,112	811,280	42,010	11,904,402
Additions	-	-	806	806
Adjustment	(13,750)	-	-	(13,750)
At 31 March 2024	11,037,362	811,280	42,816	11,891,458
<b>Depreciation</b>				
At 1 April 2023 – as restated	553,103	569,129	34,970	1,157,202
Charge for the year	138,676	135,769	4,254	278,699
Adjustment	(859)	-	-	(859)
At 31 March 2024	690,920	704,898	39,224	1,435,042
<b>Net book value</b>				
At 31 March 2024	10,346,442	106,382	3,592	10,456,416
At 31 March 2023 – as restated	10,498,009	242,151	7,040	10,747,200

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**
**16 Tangible fixed assets (continued)**

The fixed assets figure has been adjusted to reflect a reduction in the cost of the capital project which was included as fixed asset additions in a previous year.

All assets are held for direct charitable purposes.

**17 Investments**

Listed investments are held at market value and were valued by Ruffer LLP on the basis of their open market value as at 31 March 2024. The historical cost of the investments as at 31 March 2024 is £286,000 (2023: £556,000). All investments are held for charitable activities.

<b>Group</b>	<b>Shares in subsidiary £</b>	<b>Listed investments £</b>	<b>Total £</b>
At 1 April 2023	-	1,444,925	1,444,925
Change in market value	-	(95,255)	(95,255)
Sold in the year	-	(270,000)	(270,000)
Gross investment management fees paid	-	(3,841)	(3,841)
At 31 March 2024	-	1,075,829	1,075,829

<b>Company</b>	<b>Shares in subsidiary (cost) £</b>	<b>Listed investments (market value) £</b>	<b>Total £</b>
At 1 April 2023	200	1,444,925	1,445,125
Change in market value	-	(95,255)	(95,255)
Sold in the year	-	(270,000)	(270,000)
Gross investment management fees paid	-	(3,841)	(3,841)
At 31 March 2024	200	1,075,829	1,076,029

MK Gallery owns all the shares of MK Gallery Trading Limited, a company registered in England under company number 04469234. Unaudited accounts have been signed and have been filed with the Registrar of Companies. A summary of trading results is shown in note 15.

MK Gallery also owns all the shares of MK Gallery Enterprises Limited, a company registered in England under company number 11597873. Unaudited accounts have been signed and have been filed with the Registrar of Companies. A summary of trading results is shown in note 15.

The change in market value represents the net gains and losses arising within the portfolio managed by Ruffer LLP.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**
**18 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	11,457	15,122	2,913	1,780
Prepayments	44,073	82,480	42,983	82,480
Accrued income	99,573	536	99,573	536
Amounts owed by group undertakings	-	-	126,711	135,220
Other debtors	113,414	114,413	113,313	113,239
	<u>268,517</u>	<u>212,551</u>	<u>385,493</u>	<u>333,255</u>

**19 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>As restated 2023</b>	<b>2024</b>	<b>As restated 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	59,361	59,502	50,885	53,635
Deferred income (note 20)	8,712	75,237	385	67,138
Taxation and social security	16,546	18,888	16,546	18,888
Accruals	134,733	164,660	131,063	159,250
Amounts owed to group undertakings	-	-	100	9,384
Other creditors	6,302	6,332	6,302	6,332
	<u>225,654</u>	<u>324,619</u>	<u>205,281</u>	<u>314,626</u>

Amounts owed by and to group undertakings are unsecured, interest free and repayable on demand.

**20 Deferred income**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 April 2023	75,237	2,000	67,138	-
Amount received in the year	8,712	75,237	385	67,138
Amount released in the year	(75,237)	(2,000)	(67,138)	-
	<u>8,712</u>	<u>75,237</u>	<u>385</u>	<u>67,138</u>

Income is deferred where it relates to a future accounting period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**
**21 Analysis of charitable funds**

	As restated At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
<b>Group</b>					
Unrestricted fund movements:					
Designated funds:					
Capital construction fund	(2,745)	-	-	-	(2,745)
Capital renewal fund	600,000	-	-	-	600,000
Programme fund	119,993	-	-	(119,993)	-
General income fund	296,364	1,076,446	(1,283,534)	128,237	217,513
General capital fund	10,973,775	-	(221,789)	-	10,751,986
Trading Subsidiaries:					
MKGT	8,244	-	-	(8,244)	-
MKGE	(109,280)	342,069	(350,157)	-	(117,368)
Total unrestricted funds	11,886,351	1,418,515	(1,855,480)	-	11,449,386
Restricted funds (see below)	282,993	354,209	(349,515)	-	287,687
Total funds	12,169,344	1,772,724	(2,204,995)	-	11,737,073
<b>Company</b>					
Designated funds:					
Capital construction fund	(2,745)	-	-	-	(2,745)
Capital renewal fund	600,000	-	-	-	600,000
Programme fund	119,993	-	-	(119,993)	-
General income fund	296,364	1,084,689	(1,283,533)	119,993	217,513
General capital fund	10,973,775	-	(221,789)	-	10,751,986
Total unrestricted funds	11,987,387	1,084,689	(1,505,322)	-	11,566,754
Restricted funds (see below)	282,993	354,209	(349,515)	-	287,687
Total funds	12,270,380	1,438,898	(1,854,837)	-	11,854,441

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**21 Analysis of charitable funds (continued)**

	As restated At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
<b>Restricted funds</b>					
<b>Group and Company</b>					
Paul Hamlyn Foundation	102,978	125,947	(124,504)	-	104,421
Paul Mellon	-	1,500	(1,306)	-	194
Garfield Weston	-	20,000	(4,860)	-	15,140
Kirkland Foundation	125,000	-	-	-	125,000
Saul Leiter	-	10,000	(10,000)	-	-
Austin Hope Pilkington	5,000	-	(4,257)	-	743
MKCF Seeing Differently	-	10,000	(2,396)	-	7,604
Children in Need	7,893	10,000	(8,090)	-	9,803
MK Gallery 25 <sup>th</sup> Anniversary Gala	-	725	(695)	-	30
MK Council Apprenticeship	-	5,668	(6,065)	-	(397)
MK Council Street Art	10,871	20	381	-	11,272
Capital Construction	1	-	-	-	1
Boyd & Evans Catalogue	(1,350)	43,250	(37,100)	-	4,800
MK Council Shutter Project	5,602	-	-	-	5,602
BTP Conference	-	4,000	(677)	-	3,323
PAW Supported Studio	16,820	1,805	(19,203)	-	(578)
Bagri Foundation Grant	(127)	25,000	(25,875)	-	(1,002)
South Asian Miniatures	(945)	96,094	(100,083)	-	(4,934)
Trickster Figures	1,250	200	(4,785)	-	(3,335)
Henry Moore Foundation	10,000	-	-	-	10,000
<b>Total Restricted funds</b>	<b>282,993</b>	<b>354,209</b>	<b>(349,515)</b>	<b>-</b>	<b>287,687</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**21 Analysis of charitable funds (continued)**

Milton Keynes Council has confirmed that for the purposes of managing and reporting on their annual grants, that the Council do not consider or treat those as restricted. The Company must report regularly on the grant released as a result of new management arrangements, and comply with annual Council reporting needs.

<b>Name of fund</b>	<b>Description, nature and purpose of fund</b>
<b>Restricted Funds</b>	
Paul Hamlyn Foundation	To fund a 3 year programme of inclusive arts practice for children with complex needs and their families
Paul Mellon	
Garfield Weston	
Kirkland Foundation	To support the cost of exhibition programmes
Saul Leiter	
Austin Hope Pilkington	To support the costs of exhibition programmes
MKCF Seeing Differently	
Children in Need	To fund a 3 year facilitated artists programme of activity for young people with low level mental health relates issues
MK Gallery 25 <sup>th</sup> Anniversary Gala	
MK Council Apprenticeship	
MK Council Street Art	To support the costs of the street art project
Boyd & Evans Catalogue	To support the costs of the catalogue production
MK Council Shutter Project	To support the costs of the shutter project

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**21 Analysis of charitable funds (continued)**

<b>Name of fund</b>	<b>Description, nature and purpose of fund</b>
<b>Restricted Funds</b>	
BTP Conference	
PAW Supported Studio	To support the costs of the supported studio
Trickster Figures	To support the costs of exhibition and catalogues
Henry Moore Foundation	To support the costs of exhibition programmes

There were further funds for Bagri Foundation and South Asian Miniatures. These funds are in deficit at the end of the year but the deficit balances will be cleared with funding in the following financial year.

**Designated Funds**

The designated development fund was reallocated to a new £360,000 designated programme fund (£120,000 per annum to be drawn down annually to support programming costs) and a new £600,000 designated capital renewal fund. Any remaining reserves in this fund were allocated to the general income fund.

**Unrestricted Funds**

The general income fund represents those funds that are unrestricted and not designated for other purposes.

The general capital fund represents those funds that are unrestricted but represented by capital assets and are therefore not available reserves.

**Transfers between funds**

A transfer of £119,993 was made from the Programme fund designated fund to the general fund to represent to annual drawdown to support programming costs.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**
**22 Analysis of net assets between funds****Group:**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2024 Total</b>	<b>As restated 2023 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	10,456,416	-	10,456,416	10,747,200
Investments	1,075,829	-	1,075,829	1,444,925
Current assets	142,795	287,687	430,482	301,838
Current liabilities	(225,654)	-	(225,654)	(324,619)
	<u>11,449,386</u>	<u>287,687</u>	<u>11,737,073</u>	<u>12,169,344</u>

**Company:**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2024 Total</b>	<b>As restated 2023 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	10,456,416	-	10,456,416	10,747,200
Investments	1,076,029	-	1,076,029	1,445,125
Current assets	239,590	287,687	527,277	392,681
Current liabilities	(205,281)	-	(205,281)	(314,626)
	<u>11,566,754</u>	<u>287,687</u>	<u>11,854,441</u>	<u>12,270,380</u>

**23 Commitments**

There is a 99 year lease on the Theatre, Art Gallery and Theatre Square. A nominal rent of £1 each per annum is payable. This lease expires in more than 5 years.

Changes to the lease arrangements between Milton Keynes Council, Ambassador Theatre Group and MK Gallery mean the three parties are all now signatory to management arrangements that are enshrined in a long lease of 99 years from 18 December 2001.

*Capital commitments*

The charity has undertaken a capital development project which is complete apart from the final balance due to the contractor. At the year end the final balance due for the project was unknown but the charity is holding sufficient reserves to cover the balance due.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**24 Related party transactions**

During the year donations of £nil were received from Trustees (2023: £nil). There are no other related party transactions during the period that require disclosure. The charitable company has taken advantage of the exemption available in accordance with Section 33 of FRS 102 'Related Party Disclosures' not to disclose transactions entered into between two or more members of the group that are wholly owned.

**25 Provisions and contingent liabilities**

The company has indemnified the purchaser of a lease against any claw back of £800,000 VAT by HMRC. This is only ever likely to arise if the building was not to be used as a commercial theatre within 10 years from November 2011. The Trustees consider the likelihood of this occurring to be remote and consequently no provision for this liability is considered appropriate.

**26 Prior year adjustment**

An adjustment was made to the figures for the year ended 31 March 2020 in relation to the following accounting issues in the years ended 31 March 2018, 31 March 2019 and 31 March 2020:

- VAT return errors arose which resulted in £134,205 being payable to HMRC. This meant creditors were understated by this amount in the figures originally reported.
- Fixed asset cost was overstated by £68,700 as a result of irrecoverable VAT being capitalised in error (relating to the VAT return errors).
- Accruals and fixed asset costs were both overstated by £197,560 in relation to an accrual for fixed asset additions that was not necessary.

The relevant values in the comparative figures have now been adjusted. The effect of this adjustment is:

	<b>Group £</b>	<b>Company £</b>
Opening reserves at 1 April 2020 (as previously stated)	12,806,667	12,858,710
Prior year adjustment	(190,843)	(190,843)
	<hr/>	<hr/>
Opening reserves at 1 April 2020 (as restated)	12,615,824	12,667,867
	<hr/>	<hr/>

## MK GALLERY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 27 Notes to the Statement of Cash Flows

##### Cash and cash equivalents

##### Year ended 31 March 2024

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash and cash equivalents	136,081	61,371	128,426	48,898

##### Year ended 31 March 2023

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash and cash equivalents	61,371	151,206	48,898	68,016

##### Analysis of changes in net funds - Group

	<b>2023</b>	<b>Cash flow</b>	<b>2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	61,371	74,710	136,081
	61,371	74,710	136,081
	61,371	74,710	136,081

##### Analysis of changes in net funds - Company

	<b>2023</b>	<b>Cash flow</b>	<b>2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	48,898	79,528	128,426
	48,898	79,528	128,426
	48,898	79,528	128,426