

MIDLANDS ARTS CENTRE

England & Wales · Charity number 528979

Details

Other names	CANNON HILL TRUST, CANNON HILL TRUST LIMITED, MAC, MAC BIRMINGHAM
Status	Registered
Legal form	Charitable company
Company number	00718349
Registered	1962-05-09
Register	View on the Charity Commission register

Contact

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Website	www.macbirmingham.co.uk

Activities

Objects: THE PROMOTION OF, EDUCATION IN, AND APPRECIATION OF THE ARTS

Activities: Midlands Arts Centre, MAC, exists to make innovative, creative arts activities an important part of people's lives. MAC is the most visited arts centre in the Midlands, with almost 1,000,000 visitors a year who come to MAC to enjoy theatre performances, music, comedy, plays for children, literature and poetry events, courses, family shows, films, dance performances and free exhibitions.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, The General Public/mankind

Geography

- Birmingham City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£5,811,868	£6,263,139	£4,316,527	189
2024-03-31	£5,694,712	£5,640,744	£4,767,799	199
2023-03-31	£5,676,927	£5,881,229	£4,713,830	196
2022-03-31	£4,576,511	£4,498,859	£4,918,132	213
2021-03-31	£4,449,228	£2,978,297	£4,840,479	154

Trustees

Name	Role	Appointed
Ros Robins	Chair	2023-01-26
Arfa Ruhee		2025-03-27
Councillor Matt Bennett		2015-07-27
Dr Haseena Lockhat		2018-11-26
Gurdip Singh Bhangoo		2018-11-26
Linda Jane Jones		2022-03-28
Mary Locke Cllr		2024-03-26
Michael William Jones		2025-03-27
Michelle Williams		2023-09-28
Mike Williams		
Neil McGowan		2023-03-27
Owen Dutton		2017-03-29
STEPHANIE DALE		2017-03-29
Selina Brown		2023-07-26

MIDLANDS ARTS CENTRE

England & Wales - Charity number 528979

Accounts

Midlands Arts Centre

A Company Limited by Guarantee

Trading as MAC

Annual Report & Financial Statements For The Year Ended 31 March 2025

Company No: 00718349
Charity No: 528979

Annual Report and Financial Statements for the Year Ended 31 March 2025

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1. Overview

1.1. The Year in Numbers



1.2. Chair's Statement

In my first year as Chair of Trustees for Midlands Arts Centre (MAC) it gives me great pleasure to present the 2024-25 annual report and accounts. It has been a busy year at MAC as we welcomed 800,000 visitors to our venue. Once again it was reported that MAC was ranked as the most visited free attraction in the West Midlands and the 17th most visited free attraction in England (out of 1,513 attractions). It's a strong testament to the popularity of our artistic programme and the high-quality service provided by all teams that ensures we are an irresistible and affordable destination for visitors.

The financial situation faced by MAC over the year however has been more challenging and as resourceful and resilient as we are, we must also acknowledge the stark environment we currently operate in. This last year has seen the cultural sector face significant financial difficulties due to declining public funding, rising costs, and changing audience habits. Undoubtedly, we are required to find new ways to generate more revenue and secure greater partnership working if we are to match our ambition of being a national leader in community participation by 2028.

Our work is only made possible by the strength of our existing partnerships, and I am pleased to report that we continue to maintain positive relationships with our stakeholders. This was especially evident in October 2023 when our activities were interrupted by the discovery of RAAC (reinforced autoclaved aerated concrete) which led to the temporary closure across three of our spaces. Given the situation we contacted Arts Council England and People's Postcode Lottery for advice, both provided extraordinary support in helping us to manage the situation effectively. This together with the sharp responsiveness of colleagues enabled us to reopen the main theatre in May 2024 and complete the necessary capital adaptations to both studios by Easter 2025. Whilst these are temporary measures the spaces are now fully operational and safe for use and I would like to take this opportunity to thank Arts Council England and the People's Postcode Lottery for their invaluable assistance. Trustees and Executive are now focused on the priority of future capital planning and the imperative of replacement and renewal of MAC's aging estate.

Future planning has been a major focus this year with the Chief Executive and Senior Managers together with Trustees working hard to update our purpose, mission and redefine our business priorities to see us through the next strategic phase of the organisation. The new Business Plan 2025-28 focuses on growth across all aspects of MAC's work – but with specific attention on workforce development, greater investment of infrastructure and enhanced marketing and communication. Carefully aligned of course with stakeholders in respect to the needs of communities and a commitment to sustainability.

We welcomed Arts Council England's announcement of a revised extension to its NPO funding, confirmed to the end of March 2028, this will allow us more opportunity to deliver against our new Business Plan. MAC remains very supportive of ACE's "Let's Create" national strategy by deepening our role with the local communities we serve to encourage both their creativity and participation. In January 2024, People's Postcode Lottery generously increased our annual grant by 12% to £900,000 in recognition of our work with communities, their investment represents a major contribution to our overall income.

Fundraising is as ever a vital part of our financial model and individual giving continues to be a priority for the forthcoming years ahead. We have been developing more effective public campaigns that describe the powerful impact of our work through interviews, films and focus groups. This last year has seen a buoyant increase in the number of new and renewing

memberships with exciting plans to extend MAC's Supporters Circle to younger, more diverse donors. Thank you to all existing and future MAC donors for your invaluable support.

Corporate and commercial sponsorship is also incredibly valuable to our success. I would like to give a special mention to Eversheds Sutherland, whose regular sponsorship gives us the reassurance of longer-term planning. From arts to trading we have seen increased support from national brands wanting to collaborate and who see the mutual benefit of attracting more interesting shared engagement opportunities. Of course, the bedrock to our community programme and exhibitions has been the loyal investment from trusts and foundations, though we recognise it is a highly competitive environment, we are as ever incredibly grateful to the Saintbury Trust, Feeney Trust, New Work Trust and Roughley Trust to name but a few for their enormous generosity.

Crucial to the visitor experience at MAC is Trading, through our catering activities and I am pleased to report we have ended the year with a total contribution of £608k to the Charity which bringing the Trading contribution back to pre-COVID levels which is really positive to see.

As I end my first year as Chair I would like to take this opportunity to thank all of my fellow Trustees who give so generously of their time and energy. In particular I would like to thank Mary Martin who stepped down as Chair in September 2024 and Mike Williams, Chair of the Trading Committee for their support and encouragement. And last but by no means least on behalf of all the Trustees I would like to thank Debbie Kermode for her tireless and visionary leadership of MAC and the Senior Management team and all their staff for their hard work and commitment. I am looking forward to continuing to work with you all as we lead the organisation into an exciting future.

Ros Robins, Chair of the Trustees

1.3. Chief Executive's Report

When you visit MAC, you're entering more than just an arts centre, you're arriving at a place where new ideas are explored, friendships are made and creative expression flourishes. It is a privilege to lead this exceptional organisation and despite the plethora of challenging issues faced, we have nevertheless continued to deliver a very popular programme underpinned by exceptional customer service.

Over the past year, Board and colleagues have been working to reflect on our purpose and values more strategically. Our aim is to ensure we are a sustainable arts centre for the future, with steady growth and profitability. Our new business plan 'Inspiring Growth 2025-28' outlines a road map for success, which will keep us focused and ensure accountability.

At the heart of our plan are people. We have greater success when we involve local people in our decision making and we can only do this through more effective consultation. This work has already started with great success, from Neighbourhood Forums advising us on recruitment and planning celebration events such as Iftars. These co-created activities led by communities helps to foster loyalty and relevance to those we serve. Inviting everyone's contribution is key to our success and we increased opportunities for professional and non-professional artists to participate in open calls, that invite the public to contribute to professional opportunities across exhibitions, theatre and community programmes, inviting everyone's creativity to be visible and celebrated.

We continue to prioritise our workforce and during this year we progressed with our important work on Equity, Diversity and Inclusion (EDI) to make MAC a place where everyone belongs and an organisation that reflects the diversity of Birmingham. We have almost completed our ambitious two-year focus on disability in the workforce through our All of Us programme as part of our EDI commitment. This also extended to increased staff training, our first Town Hall event that saw over 120 colleagues attend and the launch of our new Wellbeing Champions.

I am delighted that Ros Robins was formally appointed as our new Chair of the Board. Ros has over 40 years' experience of working in the arts sector and has supported theatre and dance companies across the UK as an advisor and mentor specialising in organisational change and development. Ros will be responsible for the leadership of MAC's Board of Trustees, managing its effectiveness in supporting the development and strategic direction of the charity. Finally, my heart-felt thanks to our former Chair Mary Martin, who was instrumental in steering us through some difficult times and who was outstanding in all aspects of governance. Mary stepped down in September 2024, and myself and the entire MAC team are very grateful for everything she did and the strong positive legacy she leaves.

I would like to thank all the Board for their extraordinary support and their tireless efforts that make all of MAC's work possible and also to our dedicated communities of artists and partners who all play vital roles in making MAC such a vibrant venue. My thanks also to the family trusts, public and private grant-makers, businesses, individual donors and audience members whose generous gifts, legacies, grants and donations are vital to us.

Finally, I would like to extend my sincere gratitude to our hard-working teams who are on site long-hours each day to ensure that the service we provide is first-class and that the artists we work with have all the resources they need to make their work shine brightly.

Deborah Kermode, Chief Executive & Artistic Director

2. Trustees' Report including Strategic Report

The Trustees, who are also the Directors of the charitable company for the purposes of Company Law, present their Annual Report, which includes the Strategic Report, and the audited consolidated financial statements for the charitable group year ended 31 March 2025.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the 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 (FRS102) (effective 1 January 2019).

2.1. Who We Are

First opened in 1962, Midlands Arts Centre (MAC) is a pioneering arts centre and charity and an Arts Council England National Portfolio Organisation. Set in Cannon Hill Park, two miles south of the city centre, MAC offers a busy programme of theatre, independent cinema, visual arts exhibitions, creative courses, and special events. MAC is a national leader in developing work with children, young people, and families. At the heart of MAC is a focus on sustainability, accessibility, and inclusion. We work extensively to support international and local artists, and develop programmes for and with the local community.

We want to encourage as many people as possible to:

“explore, examine and enjoy the arts activities of others; and participate in, and undertake, their own arts activities.”

Our Mission is:

By 2028 MAC will be recognised as a national centre of excellence for creative participation and as a destination of choice for exceptional cultural and artistic experiences. We will be known for being at the forefront of community engagement.

Our Vision is:

To promote innovative, creative arts activities in ways which help to establish them as an important part of people's everyday lives.

Our Values are:

MAC's values underpin all the decisions we take; how we serve our audiences, recruit our staff and engage with artists.

MAC is Belonging: We create experiences where everyone is welcome

MAC is Inclusive: We believe the arts is for everyone

MAC is Collaborative: We thrive on positive partnerships

MAC is Creative: We foster unique creativity

MAC is Innovative: We believe in bold ideas and strong artistic voice

MAC is Resilient: We continually improve our work

Further details on all our activities can be found later in this report and on our website: www.macbirmingham.co.uk

2.2. Key Highlights from 2024-25

We brought fresh perspective to art and new ways to engage with artists. Our commitment is to always highlight and promote the voices of those in our communities that are under-represented and whose ideas and talents are fresh and innovative. Highlights include:

2.2.1. Year of Sustainability

Tatiana Wolska: Leisure as Resistance | 9 March – 2 June 2024

Leisure as Resistance marks Tatiana Wolska's first solo exhibition in the UK. Born in 1977, Wolska utilised recycled materials, evoking the resourcefulness ingrained in her during her childhood in communist Poland, where recycling became a necessity due to the scarcity of goods. The exhibition showcased her signature recycled bottle sculptures and several new commissions, including scrap wood sculptures, large-scale drawings, monumental makeshift hut and a mural.

'You are certainly on my wavelength. Thank you for taking this to the art world'.

'Creating doesn't have to be difficult. This structure shows what happens when you join one thing to another and then another until you have something completely new. Creation is collaboration between people and materials. Simple and instinctive.'

'So well done! Love the concept, especially in this economy. Very sweet breath of fresh air. Hope this is picked up as a concept and done all over the country. Took a book. I will bring another before you are gone.'

Waste Age: What can design do? | 26 October 2024 – 23 February 2025

This group exhibition focused on a new generation of designers who are rethinking our relationship to everyday things. From fashion to food, electronics to construction, even packaging; finding the lost value in our trash and imagining a future of clean materials and a circular economy could point the way out of the Waste Age. The exhibition tells the story of the environmental crisis and marks MAC's first collaboration with the Design Museum to highlight the current crisis and design's role in the problem. Divided into three topics, this exhibition explored what lies beyond our current toxic waste infrastructures, exploring the environmental, social, and geopolitical forces at work. The exhibition featured a new sculptural commission inspired by clothes waste markets in Nigeria by Birmingham-based artist Abdulrazaq Awofeso. Waste Age is a touring exhibition by the Design Museum, London. MAC is the only tour venue in the UK.

"I was already aware of the issue, but the exhibition deepened my understanding and gave focus on specific industries and materials."

"Excellent. A real eye-opening supported by real data."

"(...) The exhibition in the gallery upstairs is one of the best of its kind I have seen in a long time. Again, it succeeds in its objectives but also the actual design of the display of such beautiful solutions managed to appeal to the senses of the viewer."

Rubbish Redesigned: Innovative Designers from the Midlands | 28 September 2024 – 2 March 2025

Rachael Colley, Rhys Ellis, Foresso, Studio Mafa, Danielle Phelps, Molly Ratcliffe

A group exhibition that delved into the rise of imaginative approaches to circular design and waste innovation across the West Midlands. It highlighted the creative uses of common waste materials, such as orange peel and cow manure, addressing the pressing need to reconsider how we utilise and recycle our planet's resources.

Pauline Farrar: Celebrity Robots Family Tour | Summer 2024

With family fun at the heart of our summer, we welcomed Ed Sheeran, Taylor Swift and the Spice Girls to MAC over the summer in the form of beautifully hand-made robots. Designed and produced by disabled artist, Pauline Farrar, twenty celebrity robots were installed across the venue, including Benjamin Zephaniah which we commissioned in tribute to Birmingham's most popular poet.

Big Green Weekender

We successfully hosted our annual Big Green Weekender with 9,000 visitors attending, ideal for families, featuring performances from MAC's resident inclusive band SWITCH, and US eco-warriors Reverend Billy and the Stop Shopping Choir. We carried out evaluations on both days and were able to collect useful data from the public which helped us to gain relevant feedback and demonstrated MAC's commitment to environmental issues.

2.2.2. Focus on Disability

Common Ground

A unique, collaborative exhibition that brought together professional artists and students from seven Special Educational Needs (SEN) schools to explore creativity, communication, and play through various expressive mediums. A hugely popular show with a mix of textures, sounds and stories that invited visitors to reimagine what inclusive arts education can be.

Eye Music Trust: Colourscape

Colourscape returned with their fantastical, large-scale outdoor interactive labyrinth of live music and dance performances that featured interlinked chambers filled with intense light and colour. This popular immersive prioritised disabled visitors with an extraordinary experience of radiant colour, sound and movement with specialist artists leading people on a unique journey of the senses.

2.2.3. Motherhood Season

Inspired by the universal theme of motherhood, we curated a broad public programme showcasing the major exhibition Acts of Creation: On Art and Motherhood in partnership with Hayward Touring.

Acts of Creation: On Art and Motherhood | 22 June – 29 September 2024

Felicity Allen, Janine Antoni, Cassie Arnold, Artists Campaign to Repeal the 8th, Bobby Baker, Clare Bottomley, Elina Brotherus, Lea Cetera, Jai Chuhan, Eileen Cooper, Renee Cox, Dorothy Cross, Rineke Dijkstra, Leni Dothan, Catherine Elwes, Tracey Emin, Jessa Fairbrother, Feministo, VALIE EXPORT, Maeve Gilmore, Anna Grevenitis, Ghislaine Howard, The Hackney Flashers, Camille Henrot, Barbara Hepworth, Susan Hiller, Chantal Joffe, Claudette Johnson, Mary Kelly, Liss LaFleur, Tala Madani, Sally Mann, Wangechi Mutu, Ishbel Myerscough, Everlyn

Nicodemus, Catherine Opie, Fani Parali, Celia Paul, Paula Rego, Su Richardson, Jenny Saville, Monica Sjöö, Annegret Soltau, Tabitha Soren, Heather Spears, Hannah Starkey, Emma Talbot, Barbara Walker, Caroline Walker, Carrie Mae Weems, Nancy Willis, Hermione Wiltshire, Mierle Laderman Ukeles, Christine Voge, Del LaGrace Volcano, Carmen Winant and Billie Zangewa.

Acts of Creation: On Art and Motherhood focused on the joys, heartaches, mess, myths and mishaps of motherhood through over 100 artworks, from the feminist avant-garde to the present day. It successfully explored lived experience of motherhood, offering a complex account that reveals contemporary issues about gender, caregiving and reproductive rights.

Who cares? Exhibition | 6 June – 22 September 2024

Balsall Heath CATS, was created to support families with disabled children and young people. MAC Moms group was created as an arts and wellbeing club led by artist Kaye Winwood to create a safe space for the mothers to try new creative ideas and socialise with each other, introducing a series of wellbeing and self-care into their daily routines offering them an essential break from their caregiving responsibilities. The exhibition presented evidence of their creative journey in objects, words and images.

MAC Moms Day Trip to Stratford Upon Avon

As part of their art club, 37 of the mums went on a trip to Stratford Upon Avon, many of the ladies commented that they had not left Birmingham for many years and some had never been away from home without their children. All enjoyed chance be together and visit heritage sites.

The Queer Motherhood Project

MAC commissioned artist Dr Hannah Phillips' to make a new play about queer parenting based on verbatim theatre with people who shared their real life experiences of Motherhood and parenting including those unable or choosing not to be mothers.

Bad Mums Cinema season

MAC Cinema produced a fantastic season interrogating notions of 'bad mum'. Showcasing films rarely seen digitally or on TV, the titles spanned post-war, comedy and horror to present motherhood in all its complexities – the love, the rage, the joy and the never-ending battle against the strictures of the patriarchy. Wonderfully irreverent and witty programming.

2.2.4. Exhibitions

Su Richardson: In Stitches | 8 March – 1 June 2025

Su Richardson is a pioneer of British feminist art, renowned for her work with crochet, soft sculpture, assemblages from found objects, colour prints and collage. The exhibition was the largest institutional retrospective of her work to date, and the first solo exhibition in her hometown, showcasing the breadth of her fifty-year career. Focus on soft sculptures that explore themes of motherhood, caring for family members, the maternal body, breastfeeding, loss and illness. A catalogue with new essays was produced, the artist's first monologue.

Marcia Michael: The Family Album | 15 March – 1 June 2025

A powerful and moving exhibition by Marcia Michael, a multidisciplinary artist of Caribbean descent. Michael reimagined her family album to explore the beauty and depth of Black family connections in British history, challenging stereotypes and celebrating Black love and identity. It was curated by Dominique Nok, who we formally assisted with support from Art Fund.

PRISM Photography Open 2025 | 15 March – 18 May 2025

Thea Brown, Sylwia Ciszewska-Peciak, Trev Clarke, Lisa Dams, Urban Deane, Anupama Gamanagari, Jessica Groves, Sam Lee Hayes, Kate Lagan, Matilda Lodge, Irina Mackie, Rebecca Orleans, Angela Otuka, Pierro Pozella, Emily Sharp, Tegen Kimbley, Carl Williams and Sam Wood.

This group exhibition was selected from an open call attracting 130 submissions from professional and amateur photographers. In partnership with volunteer group - PRISM Photography network, a panel of experts selected artists whose work pertinently explored themes of belonging through portraits, landscapes, political and personal stories.

2.2.5. Live Arts & Performances

We presented a huge variety of live work at MAC, showcasing the very best of dance, theatre and comedy. Much of it is touring work that we select from national and regional touring companies, with a focus that directly interests Birmingham audiences.

Music

At MAC we are keen to promote global music that originates from a wide breadth of experience and is more familiar to many of our wonderful diverse communities we serve, examples of this include:

Ryland Caravan

The festival now in its second year, offered audiences a fantastic chance to enjoy local indie music in the Outdoor Theatre.

Refugee Week: Congolese Independence Day

A day celebrating the Congolese community through free workshops, children's activities and performance, dance, spoken word and music. Here's an extract from the lead musician,

"I just want to say a huge thank-you for taking a leap of faith with us and acknowledging our community and artists living and working here in Birmingham, they have never had anything like this before you cannot know how much it means to them and we hope to work with you to grow it for next year."

Shared Spaces by Xhosa Cole

We are keen to encourage experimentation at MAC and in August we invited award-winning Birmingham saxophonist Xhosa Cole to explore the possibilities of using the huge white walled expanse of the main gallery as a music studio and to lead audiences on an extraordinary journey through his debut durational artwork with families interacting to his innovative music by being blindfolded, dancing and drawing on the gallery walls.

The Specials with Neville Staple

We enjoyed a great visitor turn out for local favourites The Specials. On occasions such as these we work closely with catering to ensure bar and barbeque sales were excellent and to deliver a superb party vibe that brings communities together to celebrate music and dance.

Benjamin Zephaniah Celebration

In a heart-warming tribute to the late Birmingham poet, activist, and actor Benjamin Zephaniah, a special event was hosted by MAC in close consultation with his wife and family. The celebration, which showcased the power of poetry, music, and art, brought together a diverse array of talent to honour Zephaniah's legacy, with performances by Birmingham Poet

Laureates Jasmine Gardosi and Casey Bailey, music from Call Me Unique, and energetic Reggaerobics and Calypsocise sessions led by Kelly and Shelley from Leaf Creative Arts CIC. Jermaine Buchanan served as the MC for this vibrant gathering. We were also delighted to welcome Benjamin's wife, Qian Zephaniah, to celebrate with us.

This wonderful event raised over £1,700 for MAC's Every Child campaign and was organised to celebrate the life and work of Benjamin Zephaniah and to embody his spirit of activism.

Theatre

Our aim is to programme work that speaks directly to the lived experience of our diverse audiences and shares ideas with neighbours who may be unfamiliar with these stories.

Family work

We are the number one arts venue for family work in Birmingham with live performances drawing in great numbers across different genres and lively entertainment from Mr Bubble and Barbara Nice Comedy shows to specialist work for disabled children.

You Are The Sun by Hurley Burley

Described as the first opera for babies this intimate interactive show was a popular inclusion in our early years programme with sell out shows.

Dance in the Dark by Sonrisa Arts

Showcasing a new piece of interactive dance theatre for young children set in a huge den, with live music and touch and smell sensory engagement. The show explored themes of play, facing our fears and bedtime routines. The design and interactive nature meant capacity was limited and all shows were billed as relaxed and inclusive for families to feel happy to leave and re-enter the space if they needed to with a break-out/chill-out room available if needed.

Christmas show Finding Santa by Little Angel Theatre

Regrettably the show was cut-short due to illness in the cast of performers and therefore it did not achieve its financial target, ending earlier than expected with ticket cancellations. We offered customers tickets for alternative film programmes as a good will gesture.

The Boy on the Roof by Vamos Theatre

Championing Midlands-based Vamos, whose unique brand of mask and physical theatre explored intergenerational friendship through the lens of neighbours with neurodiversity.

New Talent Support

Lyndhurst Memories - MAC's Theatre Commission 2024

CJ Lloyd Webley, Birmingham theatre-maker, was the recipient of MAC's first Theatre Commission Award. We received 120 applications from an open call opportunity directed at non-NPO theatre makers. Webley's project explored the history of the former Lyndhurst Estate in Erdington, where he grew up. The award provided a £10,000 grant and studio space. It was created in response to the challenges facing the theatre sector and to help strengthen the resources available for local talent.

CJ Lloyd Webley said, "I'm absolutely thrilled to have secured the MAC Theatre Commission for my Lyndhurst Memories project! This opportunity fills me with immense joy and inspiration. The project aims to explore and celebrate the rich history and stories of the formerly known Lyndhurst Estate in Erdington. Through immersive storytelling, VR and creative exploration, we'll delve into the memories, experiences, and legacy of this cherished community".

MAC is committed to providing an annual Theatre Commission for new projects over the next five years, to encourage theatre-makers to find stories in their communities for original work. This is one of the ways we can support theatre-makers to take risks and be experimental.

2.2.6. Cinema

Expanding the Frame (2023-2026)

This was MAC's second year in a three-year programme supported by Film Hub Midlands entitled Expanding the Frame, with a strategic mission to significantly improve access to cinema for disabled audiences and often co-created with them. The aim is to offer communities with physical and/or mental conditions and those identifying as D/deaf or neurodivergent to experience film in an inclusive environment.

Touch screen events focused on offering relaxed and accessible screenings for people with complex needs. Following up on the recent generous donation of £10,000 from a long-time MAC cinema patron, we have been able to update our audio description system in the cinema. We have also partnered with a hearing loop company Ampetronic to make our system more effective when it comes to visually impaired audience members.

Partnerships and special guests

We have a strong relationship with the Midlands branch of the Royal Television Society (RTS) and through the year hosted a range of television premieres with numerous well-known names including Ricky Tomlinson, Sue Johnston, Joe Lycett, Don Warrington and Guz Khan. We have hosted events focused on the Midlands filmed ITVX drama Joan and the finale of the long running BBC series Doctors, whilst other special guests across the year for various Q&A screenings have included Tim Key, Alex Horne and Noddy Holder.

NT Live

NT Live benefited from returning to the main theatre (after RAAC), allowing us to do encore screenings with a lot more seats available to sell, beginning with an encore of Nye as well as the return of the record-breaking NT Live title Prima Facie. We also increased the amount of accessible NT Live screenings available, including descriptive subtitles for all new titles and also liaising with NT Live about supplying subtitled trailers.

Festivals

We worked with a number of different festivals across the year, welcoming leading black film festival S.O.U.L. for their first event outside London's Southbank, as well as SAFAR, presenting a number of titles from the world of Arab cinema, including a film from the 1980s that marked the very first feature made by a Palestinian filmmaker. The screening of Palestinian documentary Bye Bye Tiberias also included audio description and descriptive subtitles, and on-screen captions for the post-screening Q&A – an example of how we are always trying to ensure that our events are as accessible as they can be within the budget that we have. Star Nha Ease was the first time that this touring selection of Vietnamese cinema had travelled to Birmingham.

We also continued our long-standing relationship with the Screening Rights Film Festival, Japan Touring Foundation and the Birmingham Indian Film Festival, and exclusive screenings as part of the BFI London Film Festival on tour. The latter giving us free advertising via the BFI's large marketing reach and connects us directly with the best cinemas in the UK. MAC's very own Square Eyes festival returned in November for the fourth year with audience numbers very strong.

Family Film

During this year we introduced a new payment option for families with some screenings offering pay-as-you-feel on Saturday mornings to keep our cinema affordable for families. We also continued our very popular Colour Box screenings in partnership with Flatpack, taking place monthly and including drop-in workshops themed to the film screening.

2.2.7. Learning and Participation

- A massive 50,075 participations paid to engage in an L&P course.
- 4,664 people took part in a term-time and adult short course
- 68 Artist Tutors delivered 596 courses
- 547 people took part in a children, family and young person's course
- 20 Life Models. Recruited 6 new Life Models to increase the diversity of the team
- 5 training events for Artist Tutors and Life Models delivered
- Recruited new post of Learning and Participation Manager to develop digital ambition
- Increased course numbers due to demand e.g. Stained Glass, Life Drawing and Singing
- Adult Short Courses sold very well consistently delivering above forecast sales

"Every class I've taken throughout the course ALWAYS raised my mood, made me feel better, entertained and more confident in general. I felt connected and very present." Introduction to Improv, student feedback Spring Term 2025.

Girls That Geek

Our annual event exploring opportunities for women working in art and technology was popular once again. A diverse line up of speakers and exhibitors took part including Birmingham Open Media, BCU Lecturer of Creative Technologies Sophie Hedderwick, mixed media artist Alex Billingham, Allie Litherland, Shaka Tafari, Pamela Aculey and Toni Grehan. 82 students and 22 teachers/parent from schools and home educating families took part.

Reframe

The Reframe project is part of a national school's initiative in collaboration with Southbank Centre, London, and Factory International, Manchester. MAC's artists have been delivering full-day workshops to Key Stage three students across four schools in Birmingham. Reframe for 2024/25 was fully delivered. One class from four secondary schools took part totalling 120 students. The project delivered five workshops per school plus a visit to the Hayward Gallery, London, for all participants. All students took part in a showcase event at MAC as a celebratory end to the project. The digital zines produced by the project were provided to Southbank for inclusion in an online gallery.

Made at MAC Exhibitions

Working with Metal: Stained Glass and Jewellery Exhibition March-May 2025

The exhibition featured over 70 pieces of work from 52 participants, and five of MAC's Artist Tutors, showcasing the full breadth of metalwork produced in MAC's studios. Partnerships were made with Birmingham Assay Office and Birmingham Museums Trust.

Training and Development

With a workforce of 68 Artist Tutors and 20 Life Models the L&P team has a huge opportunity to support, upskill and develop a large proportion of MAC's workforce. The L&P team delivered 5 training events in 2024 to improve confidence, relationships and teaching skills of the tutors. Life Models were invited to meet for the very first time for a social/training event. As a result,

we saw standards around timekeeping, behaviour and communication improve across the whole cohort of colleagues.

2.2.8. Community Programmes

National Refugee Week

This year's refugee week 'MAC takeover' by music company Celebrating Sanctuary was a huge success. In addition to the music, we welcomed a number of stallholders from across the city as well as, performers and of course - the community to come and experience an entire day of different cultures and backgrounds, sharing their experiences as refugees and asylum seekers from Restore and Migrant Action.

"It's great that MAC showcases these different cultures, I love it." – Attendee

"The different types of acts and the diversity in the acts is always so great to see!" – Attendee

Light Up Festival & Lantern Parade in Cannon Hill Park

In partnership with Autin Dance Company we provided eight weeks of lantern making workshops with refuge and newly arrived families. All the participants joined us for a dazzling lantern parade through the park. Around a thousand members of the general public joined us, for the festivities. Overall, the event was a resounding success and flagged the huge appetite for these types of free high-quality participatory and creative community events.

Neighbourhood Forum

We established a new advisory group of local community researchers who were successfully recruited to carry out research in communities, that led us to learn more about our neighbours' perceptions of MAC. Our aim is that their recommendations inform us strategically about the ways in which we can work more successfully and sensitively to local people, who may not ordinarily visit us and to understand their interests and what would make us a compelling part of their lives.

Iftar Event 2024

It was the second year MAC has hosted the iftar, with one of the events broadcast live on the BBC Midlands Today. We were honoured to host two special Iftar events, sharing food, prayer, and joy with over 200 members of our local community during the Muslim holy month of Ramadan. One Iftar focused on networking and business, whilst the other was for families. We were grateful to Ahmed Said from Student's House Mosque, Balsall Heath, for leading the call to congregational prayer. MAC teamed up with local business Roti & Curry Bazaar, Alum Rock, for a special Iftar menu served in KILN.

To mark Ramadan, MAC commissioned local artist Haseebah Ali to create a new artwork, a public mural of a pomegranate tree, 'Garden of Paradise'. The pomegranate is seen as a heavenly fruit in Islam, while the tree and its blossoms are connected to MAC's surroundings in Cannon Hill Park. The popular artwork remained in place until June after Eid al-Adha. Haseebah Ali said it was important her work reflected elements of her faith,

"It is important because when you look around the community it is so broad and vast, so we should really support the people that come to MAC, they deserve to see artwork that they can relate to and feel warmth when they look at it".

Culture Club

Culture Club, our monthly art club for over-65s, has been well-attended. The group nurtures skill-based learning often focused on their love of craft-making and music. This programme is a brilliant opportunity to invite younger local artist and musicians to co-create with the group. We are excited to be collaborating with students from Birmingham City University, who have been devising imaginative workshops for Culture Clubbers as part of their course. A number of the students have also started volunteering for MAC.

Bedlam

Bedlam is an arts and mental health programme by MAC, The Rep, Sampad, Red Earth Collective and Birmingham and Solihull Mental Health Foundation Trust. At MAC we ran workshops, which had a significant impact as a safe space for connection and creativity for women who struggle with their mental health. The programme culminated in a creative showcase that featured sharing, performances and workshops.

Generation Q Collective

A partnership project between MAC and queer performance maker Dr Hannah Phillips. This collective of emerging LGBTIQIA+ artists explored their gender and sexuality intersected with other areas of their identity race, ethnicity, class, disability, faith and mental health through experiment performance culminating in the showcase 'Clear My Throat'.

Birmingham Public Health & MAC

In March 2024, we secured a new exciting post, in partnership with Birmingham City Council's Public Health Team of Public Health Researcher based at MAC whose role it will be to explore the benefits of active, creative participation in arts and culture in reducing modern health inequalities in the city. This role will support BCC's ambition to become a 'Bolder Healthier City' with a new review to take place in 2030 when findings from this post and three other researchers based across the city investigating how culture can be as a key driver to tackle health issues. The role began in May 2024 and is fully funded until March 2026.

2.2.9. MAC Makes Music

We give young people who face barriers the opportunity to make their music on their terms. With a focus on alternative provision, our award-winning programme gives 11-25-year-olds the chance to meet, create music together and express themselves through music technology, song-writing and performance. There are a number of reasons our participants identified as barriers to accessing arts and music (gathered through sign up data) these included – experience of economic deprivation, English as an additional language, exclusion from school, at risk of offending, ill health, LGBTQ+, looked after/experience of the care system, mental ill-health, partially sighted, physically disabled, refugee, rurally isolated, sensory impairment, SEN, young carer, young offenders. MAC Makes Music is principally funded by Youth Music.

- MAC Makes Music worked with 470 children and young people
- Employed 15 freelance musicians, three of which have been emerging music leaders
- We worked with 32 partners - seven Music Education Hubs, six Youth Justice support services, 11 music organisations and eight community/health support agencies.
- We provided music making sessions in five education settings including; Primary PRUs and specialist SEMH schools.

We delivered some 300 music sessions across the West Midlands:

- Offered performance opportunities to 100 children and young people.
- Offered professional recording studio opportunities to 80 young people.
- Expanded the reach of the Youth Justice work into Solihull, Sandwell and Birmingham. This includes regular 1-2-1 music development sessions, on-site recording/production sessions, performance opportunities at professional gig venues and on-the-job work experience via live gigs.
- Hosted three regional conference/performance events at MAC - Birmingham Music Education Hub schools conference (140 schools), Winner Up and Summer Sounds.
- Youth Voice: Produced and presented our report 'Beyond Youth Voice in Music Education' at the annual Music Mark Conference in Nottingham (Nov 2024)
- Supported 11 young disabled and non-disabled musicians to rehearse and perform together on a monthly basis as lead partner for NOYO Birmingham.
- Supported six SEND young people in weekly song-writing and performance development sessions via in-house project SWITCH.

2.3. How We Funded Our Activities

MAC's activities are funded by the generous support we receive from Arts Council England and People's Postcode Lottery and many other trusts and foundations, by individual donors and a commercial agreement with Birmingham City Council; by our customers through the tickets they buy; by customers of our café, bar and retail outlet; and by those who hire our facilities for their events.

Of our total income, 62% is raised through our own arts and trading activities.



Looking at each major source of funds in turn:

2.3.1. Fundraising, Trusts, and Foundations

MAC is committed to fundraising best practice and abides by the Fundraising Regulator's key principles: to be legal, open, honest, and respectful. MAC is registered with the Fundraising Regulator and no complaints have been received to date. As well as our established major stakeholders, a diverse range of regional and national funders generously supported projects, exhibitions, and events across the organisation. This year, we continued to nurture meaningful relationships with regional and national trusts and foundations, welcomed new supporters, and developed campaigns to educate and inspire our audiences and visitors. People of all ages and abilities proudly support MAC, and our fundraising promise to audiences and visitors means that we always treat people fairly, never place anyone under undue pressure to give, or take advantage of someone's lack of knowledge/need for care.

The practical steps we take, but are not limited to, include:

1. Making our fundraising materials clear and accessible.
2. Being alert to the signs that someone is confused or vulnerable and not accepting a donation from someone who lacks capacity to decide to donate.
3. Avoiding persistent asks or pressuring for a donation if someone is indicating they do not wish to engage.
4. Ensuring all MAC marketing material contains clear instructions on how a person can be removed from mailing lists.
5. Considering any additional needs, a person has to enable them to make an informed decision.
6. Ensuring the relationship between supporters and prospects is safe and fundraising is fair is vital to our charity. Any Safeguarding incidents would be identified and reported using MAC's Safeguarding Policy.

Major Stakeholders

Arts Council England (ACE)

MAC is a National Portfolio Organisation (NPO) within the funding programmes of Arts Council England (ACE). The new agreement started on 1st April 2023 until March 2028. Our annual grant is set at £752,748. A 1.61 % increase for 2025-26 was welcomed.

People's Postcode Lottery (PPL)

The support from People's Postcode Lottery, Postcode Culture Trust, enables MAC's inclusive and diverse art, community, and participation programme to thrive. In 2024-25 MAC's grant of £800,000 directly supported exhibitions, performances, and workshops across the centre. In 2025-26 MAC will receive an increased grant of £900,000 from the Postcode Culture Trust and we are incredibly grateful to PPL for their continued and transformational support.

Birmingham City Council (BCC)

We do not receive any grant or investment from the culture or arts department of the local authority. We have a formal agreement until 2028 with BCC to share income derived from Cannon Hill car parking fees after the deduction of capital and operating costs.

Trusts & Foundations

Regional and national Trusts and Foundations continue to make a significant impact on MAC's programme and building.

Build It

A transformative grant of £50,000 from The Baring Foundation is enabling the launch of Build It — a new creative project connecting Black men at risk of, or experiencing, mental health challenges to meaningful artistic experiences.

Youth Justice

£36,500 from The National Lottery Community Fund's Million Hours Fund is supporting MAC Makes Music's vital Youth Justice programme. Co-designed with young people at risk of offending and gang involvement, offers music production workshops.

Bold Visual Arts

MAC is grateful to the MAC New Work Trust for a generous £30,000 investment in our visual arts programme. We also thank local supporters - MK Rose Charitable Trust, The Saintbury Trust, and The Roughley Trust, for their continued commitment to our exhibitions and public programmes.

Beautiful and Useful Spaces

MAC's accessible, welcoming, and creative spaces are made possible through capital support from Trusts and Foundations. Sincere thanks to the Roger & Douglas Turner Charitable Trust, The Rowlands Trust, and The Worshipful Company of Ironmongers for investing in the future of our building.

Corporate Gifts

MAC's major corporate partner, Eversheds Sutherland LLP, have renewed their support for another three years. Their continued sponsorship ensures MAC's exhibitions remain open and free for all. In recognition, Eversheds Sutherland is proudly acknowledged across all major solo and group shows throughout the programme.

Individual Giving

In a challenging fundraising climate, MAC's audiences and visitors continue to show their support. In 2024/25, MAC raised £45,406, including Gift Aid, through individual donations.

2.3.2. Income from Activities (Ticketing)

We operate a dynamic pricing structure across ticketing with Bronze, Silver and Gold options. Overall, full ticket prices to our live performances and cinema/live event screenings range from £7 to £27 (or up to £30 for high-profile events). To improve access and to reward MAC's loyal/early bookers, we continue to honour our commitment to making at least 10% of all our tickets available for £10 or less, with additional concessions for under 16s and complimentary tickets for companions/carers. We monitor sales weekly and share information with Trustees.

Last year we introduced a new method of pay-what-you-can for some community-focused events to encourage families in particular to engage with new work. To book online we recommend pay-what-you-can range from £2 through to £8. Any ticket transaction online or in person regardless of the ticket price incurs an admin charge of £1.95 per ticket.

All our exhibitions remain free entry, though we are being more assertive in requesting donations at the point of entry into our exhibition spaces with a recommended ask of £3.

Tickets for MAC's Learning and Participation programme continued to span a broad range of prices, from £30-£300, according to the length and nature of the course. We now operate a popular 'Save-A-Space Scheme' that allows customers to pay for their tickets in instalments to make it more convenient for budgeting. As expected, in July 2025, we have had a higher number of reservations making up 66% of overall transactions for termly courses for 2025 (this is an increase from 2024/25 reservations that accounted for 59%).

To open up MAC's programme to as many visitors as possible we have improved the process for booking accessible tickets by introducing a simple way to do this online. We offer free companion tickets.

2.3.3. Trading Activities

Our trading activities include our onsite catering (the café KILN, express tills and bar), together with our events hire business and retail activities. In 2024-25 MAC's trading operations contributed around £608,300 to the Charity by means of a management charge and gift aided profit, stronger than originally expected and achieved despite the challenges of the cost-of-living crisis and inflationary pressures on supply costs.

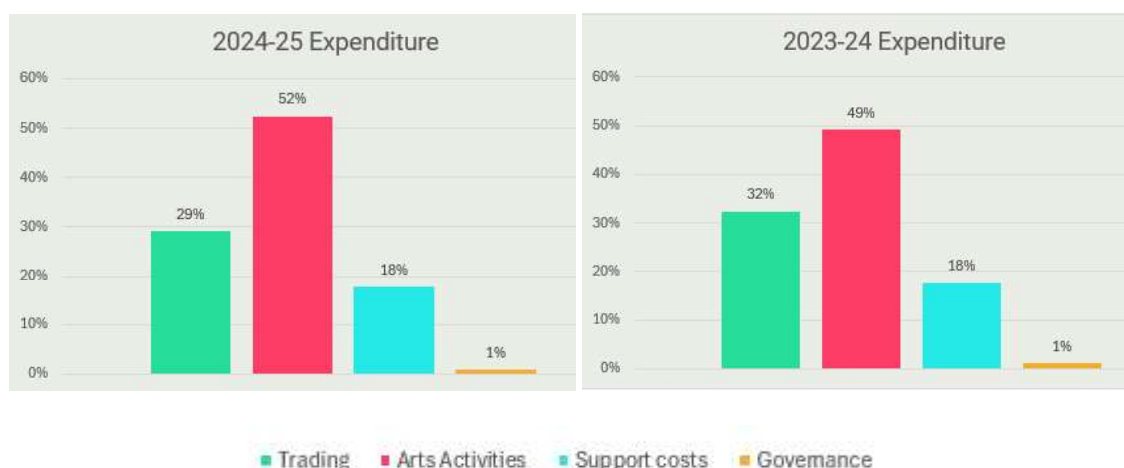
Building footfall remained consistent with the previous year; however, ticketing income and participation in arts activities increased, indicating a positive shift in engagement. We have also strengthened the integration between our catering, retail, and artistic programmes to better capitalise on growth opportunities.

Events hire continues to be a vital source of earned income, reinforcing the value of our artistic programme and highlighting MAC as an attractive venue. Looking ahead, we will continue to develop opportunities across site, focusing on both creative and commercial outcomes.

A key development during the year was a restructure that expanded capacity and sharpened operational focus, positioning us to drive business growth more effectively. Additionally, Managers and the Board collaborated to produce a robust three-year business plan, offering a structured and sustainable framework to guide our progress.

2.4. How We Spent Our Money

The largest block of expenditure (52%) is on arts activities. 50% of this expenditure is salary costs. There is information about how these resources are spent on areas such as Learning and Participation, Community Programmes and MAC Makes Music in the sections earlier in the report. 29% of the expenditure is attributable to Trading activities, 48% of this is salary costs (see Trading Activities note).



2.5. The Impact We Have Had

2.5.1. Achievement of Public Benefit

As a charity, the Trustees recognise their legal duty to report on MAC's public benefit in their Annual Report, as part of a requirement given particular emphasis by the Charities Act 2011 to clearly demonstrate that the Objects of the Charity are for the public benefit. In this context, the Trustees accept that being a registered charity is a privilege, not a right. In setting out in this Annual Report how the Charity currently meets this requirement and is reflected in its future plans, the Trustees assert that the Charity is compliant with the requirements of the Charities Act 2011; having due regard for the public benefit guidance published by the Charity Commission.

MAC's benefit to the public is wide-reaching. Our services ensure the public have a positive relationship to art and artists and that there is a robust participation model in place that encourages collaboration and skill-based learning throughout our work. Moreover, we support artists through training and paid employment to participate with communities in a way that feels relevant to their everyday lives.

In reviewing its objectives and planning its activities, Trustees have considered the Charity Commission's guidance on public benefit and fee charging. Trustees, Executive and Managers have continued to hold its business plan under review, honing future plans in the light of operational experience, future public investment prospects and the strategic context for its future activities.

In setting the level of fees, charges, tickets prices and concessions, the Board gives very careful consideration to the accessibility of MAC for those on lower incomes and those with specialist needs and consults with a range of Birmingham residents, visitors and customers as to the affordability of its services. Ticket policies are available on the website and reviewed annually. We dynamically price tickets to ensure affordability and our average ticket price in 2024-25 was £10, far below the average prices in Birmingham venues.

MAC's venue continues to enable an increasingly wide range of arts, learning and participation activities and provides a base for substantial outreach activities through touring and community engagement, especially in communities with little access to arts participation. These activities are designed to meet the interests of all, and embrace specific strands for children, young people, families and people with disabilities.

MAC continues to welcome an explicit reporting of public benefit and how it is aligned with the Objects of the Charity and gives expression to the accomplishment of public benefit throughout this Annual Report and especially when reporting below on its performance against objectives and other achievements.

MAC identifies the most significant benefits to the public that arise from its objects are to:

- Provide opportunities for the enjoyment of culture, offering a wide variety of activities for the general public (near to 800,000 visits in 2024-25) to support the special significance and impact that the arts has on people's lives.
- Provide a range of informal learning programmes and resources for adults, families, children and young people to participate with professional artists and learn more about arts and culture (near to 50,000 participations in learning at MAC in 2024-25).

- Maintain all-year-round public access to MAC's building, open freely for visitors to attend from 9am to 10pm daily.
- Ensure that MAC's services, activities and building are inclusive and accessible for the benefit of all visitors particularly those with disabilities.
- Provide paid employment opportunities for a diverse and skilled workforce of c.220, in addition to work experience, currently for 25 people.
- Actively strengthen the cultural life of Birmingham and champion its rich identity, to supporting social, community cohesion and sense of place.

2.5.2. Communications & Digital Engagement

We continue to experience high levels of engagement with MAC through our social media and other communications channels while consistently monitoring the external environment to evolve our delivery and practices in line with emerging trends, themes and audience behaviours. Highlights included:

PR: We had 990 articles/items of press coverage with an advertising value equivalent of £6.5 million and a PR value £16.2 million. AVE is supplied by our media monitoring service, an independent company. PR value is calculated as standard practice as being x2.5 of AVE.

E-Newsletters: We produced 175 e-newsletters covering performances, cinema, exhibitions, family and special event highlights, which resulted in £53k+ of direct sales on our website. We have sent a total of 504,281 emails (resulting in 385,795 opens), with a unique open rate of 46.35%. We introduced our first Spektrix/DotDigital program for unused credit reminders which has had a ROI of 550,00%, generating £2.2k+ direct revenue.

We introduced dynamic content on our emails, meaning we could tailor donation and sales messaging to customers, depending on their past booking and donation behaviour, strengthening our relationships with our audiences.

Social Media

We have achieved over 5.7 million impressions across our social media platforms:

- 24.7k Instagram followers (+27% increase from last year)
- 26.7k Facebook followers (+2.7% increase from last year)
- 52k+ views on our YouTube channel, with an increase of 120 subscribers
- When capacity allows, we have also tried to produce content for MAC's TikTok - (+673% increase in engagement from last year).

Website

On MAC's website, we had over 271k+ active users.

During 2024-25 we soft launched MAC's Accessible Bookings online. Since this has gone live, we have had 136 users self-tag their accounts to access this new feature. The marketing and comms team has further activity planned this year to promote Accessible Bookings online to current and new audiences.

In 2025 we moved to Spektrix payments which enabled our website customers online and at MAC to pay using Apple and Google pay.

2.5.3. Environmental Impact

Rooted in our local economy and communities, we are committed to ensuring our work has a minimal impact on the environment and actively promotes sustainable ways of working. Leading on much of our strategic work are MAC's Green Champions group our staff volunteers who meet regularly to discuss how to make MAC more sustainable. Throughout the year our Green Champions delivered against our Environmental Policy and Action Plan achieving the following key highlights:

- MAC's arts programme continued to reflect environmental themes with highlights such as Waste Age exhibition: a collaboration with the Design Museum which highlighted the current environmental crisis and design's role in the problem. Our learning programme held courses linked to Sustainable Fashion Week, and MAC's annual Big Green Weekender, popular celebration of creativity and community action.
- We improved our public and staff recycling bins for better segregation of waste, and upgraded waste collection arrangements for better recycling.
- We continued to promote sustainable travel with a campaign for staff during Travelwise week. For Bike Week and Clean Air Day we worked with ecobirmingham who provided Dr Bike sessions
- MAC staff engaged with several Arts Council England initiatives led by Julie's Bicycle including Capital Investment Ready, Creative Climate Accelerator, with board involvement
- MAC's trading arm embraced sustainability, gaining Silver accreditation from Green Meetings. We were proud to be chosen as the venue for Sustainable Business Series Conference.
- We were invited to speak at a Theatre Green Book event at the RSC about greening theatre buildings, using examples of MAC's sustainability journey. We have a positive relationship with the newly formed Friends of Cannon Hill Park;
- MAC lead Sustainable Arts West Midlands which continues to attract new members and the SAWM website launched in 2024.
- MAC's Comms Team presented to Culture for Climate Scotland on audience engagement and environmental sustainability. We continue to promote environmental messaging to staff and customers

2.6. Our Plans for Next Year – 2025-26

The key priorities for MAC in 2025-26 include:

- further developing our new business plans for the arts centre;
- progress with the digital and technological development as planned;
- improved public consultation across arts and commercial;
- salary structure review;
- implantation of high quality, popular arts programme

We begin the year with renewed energy and the launch of MAC's new three-year business plan, *Inspiring Growth 2025–28*. We have set ourselves ambitious income targets against commercial and fundraising, necessary to meet our needs. Progress will be closely monitored by Trustees and senior management through clear reporting against KPIs. This year we are sharpening our communications with audiences to make sure MAC remains irresistible and that our services are popular, easy to access and diverse in their range.

We start the summer with a lively programme for our Sari Season, a vibrant celebration inspired by the prestigious international exhibition from the Design Museum, London: *The Offbeat Sari*. This showcase of contemporary Indian fashion is free to all visitors. Much of the activities—including workshops, talks, music events, and performances—has already sold out ahead of the exhibition launch. Our partners, including CBSO, SAMPAD, and the Indian Film Festival, play a key role in delivering this wide-ranging programme. Together, we reinforce MAC's reputation for presenting the highest quality arts whilst championing women's voices in South Asian culture. The autumn and winter seasons are confirmed, with ticket sales to date on target.

A major aim is to develop our infrastructure (capital and technical) so it is fit for purpose and offers us the proficiency of meeting our ambitions both artistically and commercially. Our net zero ambitions and ongoing commitment to sustainable practice are central to our long-term planning, this feeds into our commitment to upgrading our technology and infrastructure to support the growth required to meet our strategic goals. To lead this work, we have established a dedicated Digital Transformation Team, which will oversee progress and report directly to the Board.

Capital plans are also underway to refurbish our retail spaces, enhancing visibility, expanding stock, and creating improved opportunities for artist sales. In addition, we are developing proposals for essential renovations to the Art Terrace—aimed at resolving drainage issues, improving accessibility, and introducing a new commercial offer.

Workforce development remains a key focus. We have seen positive outcomes from the introduction of Wellbeing Champions, regular staff training days, and organisation-wide Town Hall events. Looking ahead, a comprehensive grading and salary review will be a major area of work in the coming year, reinforcing our commitment to fair and supportive employment practices.

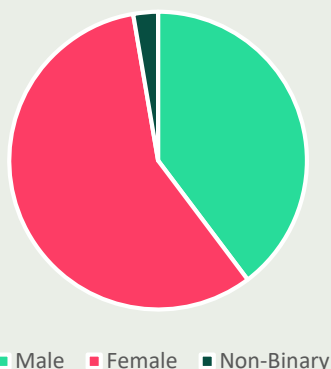
2.7. Our People and Organisation

MAC's staff are our most valuable asset and the key means by which we can achieve our objectives. We employ a diverse range of people across the organisation to help us successfully deliver all aspects of our work, and to ensure that we meet the needs and interests of the communities that we serve.

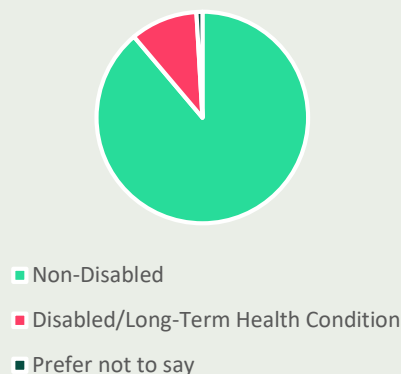
2.7.1. Equality, Diversity and Inclusion

MAC is an equal opportunity employer and actively supports human rights and all equality legislation. At the heart of our approach is a commitment to valuing diversity, treating people with dignity and respect, eliminating discrimination and promoting social cohesion through our organisation and artistic programme. We respect and value people's differences in order to help everyone achieve more at work as well as in their personal lives so that they feel proud of the part they play in our success. The following key statistics show the make-up of our workforce as of 31 March 2025:

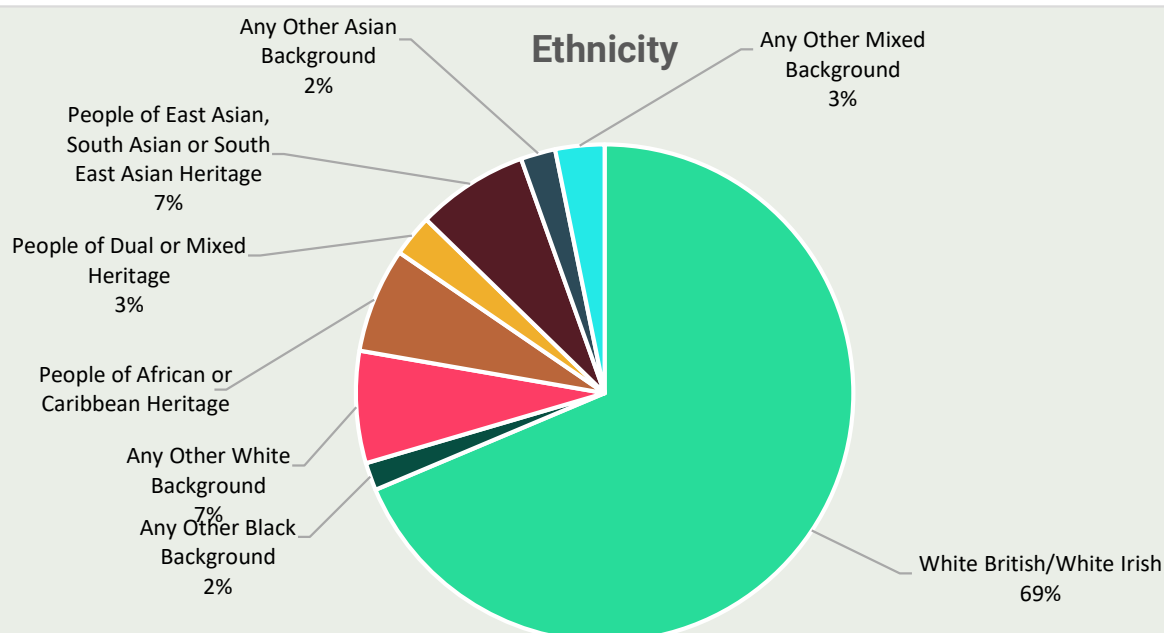
Gender Identity



Disability



Ethnicity



Wellbeing has been a key focus of our work in 2024-25, by understanding and overcoming factors that influence health and wellbeing of our team we can bring about a range of benefits for both individuals and the wider organisation. We have recruited and trained 4 Wellbeing Champions from across our teams to help us achieve our goals set out in a Wellbeing Strategy for the organisation:

- To create a workplace culture that promotes and supports the health and wellbeing of all staff
- To raise awareness of the importance of taking care of yourself both physically and mentally
- To highlight common issues associated with poor mental and physical health
- To provide support to line managers in how to manage poor mental and physical health
- To signpost everyone to reputable sources of information for help on mental and physical health and wellbeing

We have also continued our work on All Of Us, MAC's project aimed at how we can better recruit, support and retain our disabled workforce. We have undertaken significant employee and stakeholder consultation and produced a clear action plan which has enabled us to increase representation of disabled people in our workforce. The project will culminate in 2025-26 with a set of principles that will continue to guide our future action in supporting our disabled team members as well as our wider organisation.

2.7.2. Remuneration Policy

The Board of Trustees has overall responsibility for MAC's pay policy and for the salaries of executive directors. The HR Committee oversee the annual inflationary pay review process within the budget agreed by the Board. Our policy is to pay rates which are competitive - recognising the difference between charitable and trading activity, we compare the salaries we offer against charitable and commercial sectors as appropriate and undertake regular benchmarking exercises.

2.7.3. Safeguarding

At MAC safeguarding does not just apply to those we support through our activities, but to our staff and volunteers as well and this is reflected in the range of safeguarding issues that we provide support with. Our safeguarding policy is owned and agreed by our Board of Trustees and safeguarding is a fundamental part of MAC's work. We audit our safeguarding work internally and seek continuous development of our safeguarding approaches.

2.7.4. The Future

In 2025-26 will undertake a review of our pay structure with support from specialist consultants. Pay is important, and it is one of the largest costs for MAC. The review will help to ensure that our roles are correctly aligned in the structure with regards to the skills and knowledge required for them, that we have a clear understanding of the market rate for each of our roles and a robust system for evaluating roles to ensure comparison like for like across MAC. This work will help us to remain competitive as an employer and ensure that we are adequately and equitably remunerating our employees for their work.

2.8. Financial Review

FY25 was financially challenging resulting in a deficit for the year of £451,272 (2024 – surplus of £53,968). Whilst we planned that spend on restricted funded arts activity would exceed related grants, donations and other income by just under £100,000 (reflecting investment in our excellent arts programme) we did not expect to incur a deficit on unrestricted funds. Towards the end of the financial year we were informed that MAC's share of the income from the adjacent car park had been significantly overstated in a previous year and would, therefore, be clawed back. Provision has also been made for an historic VAT liability, identified at the year-end through a review instigated by management. We are currently seeking greater clarity as to future car park income levels and have improved procedures and strengthened controls over accounting for VAT.

2.8.1. Investment Policy

In formulating an investment policy, MAC has historically recognised that whilst it may have surplus funds to invest, these are likely to be called upon in the short to medium term. The policy has to date been to hold investments in liquid funds, so they are available to meet predicted cash-flow needs. In selecting suitable cash deposits, the policy is to maximise the return and maintain low transaction costs, whilst ensuring high levels of capital security by minimising credit risk and minimising interest rate risk.

Deposits and interest rates are reviewed regularly by the Finance and Governance Sub-Committee. The MAC utilises Flagstone cash management platform and, to date, £1.4m has been invested in a variety of short to medium term investments. The Finance and Governance Committee approves investment choices, with criteria that no investments are made for longer than 12 months, and the banks/investment choices are set as bbb+ rating or above, and no more than £200k is to be invested in each fund.

A mix of instant to 12-month investments were chosen, across 8 investments, with circa £11k accrued in interest at the year-end which will materialise when the investments mature.

2.8.2. Reserves Policy

The reserves of the charity are divided into restricted funds and unrestricted funds in accordance with charity legislation.

The restricted fund represents money given to MAC for specific capital and project work within the overall aims of the organisation. The funds are analysed between capital and projects, as set out in notes 15 and 16 to the accounts. Grants and donations received for capital purposes are accounted for as restricted funds and depreciation of the underlying fixed assets is charged to these funds over their lifetime. Project funds will usually be spent in full within 5 years. The balance on the long-term capital funds represents funds received from donors towards the MAC/Sampad Building Project and for the purchase of fixed assets, less the depreciation charged on an annual basis. Over time these reserves will reduce to zero as the assets are fully depreciated.

The balance on restricted funds as of 31 March 2025 of £3,603,043 includes a balance of £1,852,472 in respect of the capital redevelopment project and other capital projects and £1,195,250 of grants and donations received in respect of specific arts projects. These grants

and donations include sums from a range of supporters towards future commissions, productions, co-productions, exhibitions, and events as part of MAC's longer-range artistic programme.

The MAC sustainability fund now holds £555,321 at year end for the purpose of ensuring the long-term continuation of the charity. This fund is earmarked to support MAC going forwards by underpinning both MAC's operational needs and future capital projects.

Unrestricted Funds

The unrestricted reserves figure of £713,484 has been reviewed by the Trustees. They have determined, on the basis of detailed budget and financial planning through to the end of the financial year that this level is adequate to maintain financial stability.

MAC's policy is to hold an amount equivalent to at least two months of budgeted expenditure in unrestricted reserves. This recognises that significant risks remain around cost of goods and services rising and the economic environment. £300k has been designated from the above balance for this reserve.

2.8.3. Going Concern

The Board of Trustees are required to consider whether Midlands Arts Centre has sufficient current and forecast cash resources to cover the working capital requirements of the company for at least 12 months from the date of signing this report and financial statements. The Trustees have considered the effect external pressures such as the cost-of-living crisis, salaries and inflation. Having assessed how these factors impact the going concern position, they believe the charity will continue to operate for a period of at least 12 months from the date of signing these accounts.

In coming to this opinion, they have considered:

- Given the level of reserves and cash holdings the Board considers that there are sufficient resources available to the Charity to sustain the operation in all likely scenarios and the Charity will be able meet all the requirements of our obligations;
- The strong level of funding already confirmed until end of financial year 2025-26 with key partners; Arts Council England, Players of the People's Postcode Lottery and Youth Music;
- MAC has a strong reliance on Arts Council England revenue grant (18%). At our most recent risk assessment review (May 2025) the organisation has been rated as having minor risk, with overall comment "organisation demonstrates strong leadership and governance in Board papers/reports" "with strong activity and investment plans reflecting growth";
- The continued financial support from longstanding major trusts and foundations through 2025 into 2026 and the investment of new grant-givers;
- The strong cash balances and good level of reserves, enough of which are unrestricted and available to absorb short-term deficits, if required;
- The charitable company's renewed business plans and operating basis.

All these factors allow the Trustees to be satisfied that the charitable company remains a going concern, and as such, the financial statements have been prepared on a going concern basis.

2.9. Managing Our Risks

We are committed to sustaining a confident and skilled organisation and providing the best possible creative environment in which to develop our work at MAC. We regularly monitor risks to enable the successful delivery of our artistic programme and use a range of self-assessment tools, external evaluation and peer review to help us ensure our work reaches our own high standards, supporting excellence whilst ensuring the widest possible participation and engagement.

MAC's Trustees have overall responsibility for the management of risk within the organisation and regularly assess the risks to which we may be exposed. A risk register identifies those risks and assigns specific actions and responsibilities for mitigating them. The risk management process is ongoing and is regularly updated by the senior management team and reviewed by Trustees. The Trustees maintain a watchful eye on financial, reputational and operational risks, efficiency, streamlining operations, processes and practices, to achieve the best and fairest use of our financial and human resources.

The internal systems are designed to meet MAC's particular needs and the risks to which we are exposed, to manage those risks and to provide reasonable assurance that mitigation plans are realistic and likely to be effective going forward. The Finance & Governance Sub-Committee advises Trustees on budgetary controls, recommends steps to ensure financial viability of the organisation, monitoring the receipt of income for both revenue and capital expenditure.

The following are currently deemed the top risks for the organisation:

Risk	Mitigation and Actions
FINANCIAL	
Pressure on MAC's salary bill due to inflationary increases to wages, causing erosion of differentials and reducing ability to offer competitive salaries across the payscale. Additional increases in employer national insurance contributions increasing on-costs.	Salaries under regular review by HR Sub Committee and built into budget planning processes approved by the Board. Pay review commissioned in 2025-26 to address pressures on salary budget and provide sustainable method of evaluating salaries for the future, including market rate reporting.
Ongoing impact of the cost of living crisis despite stabilisation of inflation – risking customer confidence and ability to spend. Reduction in our ability to increase prices and grow business across Charity and Trading.	Remain vigilant to changes in market, maintain strong cost control on produce with good relationships with suppliers. Regular financial monitoring to understand audience spend and audience survey strategy in place.
Inability to meet fundraising target for RAAC replacement in roof. Risk of roof failing over time if work does not take place and loss of income against budget as a result of roof failure due to displacement/cancellation of planned programme.	Mitigation works are in place and inspected regularly by specialist structural engineers to ensure remains fit for purpose. We can reschedule programmed events to alternative spaces if required and renegotiate contracts to reflect any new capacities.

3. Governance, Reference and Administrative Information

Midlands Arts Centre is a registered charity constituted as a company limited by guarantee (registered charity number 528979 and registered company number 00718349).

MAC is governed by a Memorandum and Articles of Association which sets out its charitable object: the promotion of, education in, and appreciation of, the arts.

MAC's mission is to promote innovative, creative arts activities in ways which help to establish them as an important part of people's lives. MAC's principal objectives are to encourage as many people as possible to:

- explore, examine and enjoy the arts activities of others; and
- participate in, and undertake, their own arts activities.

3.1. Governance Priorities

During 2024-25 we focused on the following areas:

- Recruitment of a new Chair for the Board
- Reviewing and agreeing a new governance schedule for the Board
- Updating Trustee training in relation to Safeguarding

3.2. Board of Trustees

Our Board of Trustees, who are also Directors of the Charity for the purposes of the Companies Act, have overall responsibility for the strategy, management, and control of MAC. They are non-executive and unpaid. Our Chief Executive, working with the Executive Team, is responsible for delivering the Board's vision and strategy and for the day-to-day operations. The Board seeks to support the Executive in a culture of mutual confidence and trust.

As of 31 March 2025, the Board was made up of 13 Trustees.

Our Articles allow for between 4 and 15 Trustees. In addition, Birmingham City Council (BCC) may appoint up to 3 members of the Board. Nominees appointed by BCC are subject to their appointment process and the guidelines on appointments to public office as they apply to Local Government nominees.

The Chair and Vice-Chair(s) are elected by the Board from among their number.

All Trustees are required to demonstrate that they meet the skills needed, which are set out in the role profile. Appointments are led by the Nominations Committee which makes recommendations to the Board of Trustees. When recruiting, we consider the diverse skills and experience needed to govern MAC in the long term, ensuring that the Board is fit for purpose and brings a diversity of different interests and experience.

Appointed Trustees are recruited following external advertisement and their skills and competencies are assessed against the role profile. They serve for an initial term of three

years and, subject to review and the approval of the Board of Trustees, may serve for two further periods of three years.

Two new Trustees were appointed during 2024-25.

All new Trustees are given an induction programme which is tailored to their needs. It will always include meetings with the Chair, Vice-Chair and Chief Executive; review of current business plans, budgets and recent financial performance; and practical information on policies, meetings and structure. Each new Trustee is assigned a 'Board Buddy': an existing Trustee who can support them in their early stages of development. Individual Trustees have regular appraisals with the Chair of the Board; this enables any training and development needs to be identified and addressed.

The Board of Trustees holds an away day at least once a year which provides further opportunities for Trustee development.

The Trustees have overall approval and oversight of the organisation's strategy, plans and budgets and are regularly kept updated on progress against these.

Provision for Directors' indemnity insurance is in place.

3.3. Charity Governance Code

MAC supports the principles of the Charity Governance Code and we continue to review our practice against the Code's requirements as part of an approach to continuously improving our governance arrangements. MAC's Governance Review Action Plan details the organisation's approach to compliance against each area of the Code and is regularly reviewed by the Board and there are no current areas of concern. A rolling programme of self-assessment, training and development are in place to consistently refresh knowledge of compliance with the Code across the Board.

The Chair leads on the governance review action plan that outlines the Board development and priorities for the forthcoming period. The Chair is supported by the Chairs of the Sub-Committees and deputy Chair of the Board of Trustees.

3.4. Board Committees

The MAC Board has established three standing Committees to consider issues in greater depth and to advise the Board. All Committees are accountable to, and report to the Board.

Finance & Governance Sub-Committee

Members: 4 Trustees plus Chair ex officio

Role: To oversee strategic direction of finances and associated activities and to cover issues associated with governance. Any significant delegated decision making is referred to the full Board.

Meetings are held in advance of each Charity Board meeting and attended by CEO, Head of Finance and Director of Governance and HR.

During 2024-25, it particularly focussed on:

- Governance updates including review of Committee Terms of Reference, creation of Board Expenses Policy and review of internal controls.
- Oversight of banking controls and monitoring short-term investments
- Recommendation of updates to MAC and MAC Trading Memorandum of Understanding and Licence Agreement
- Preparation and review of budgets

HR Committee

Members: 3 Trustees plus Chair ex officio

Role: To discuss personnel matters where Trustee level decision is required and input into policies relating to personnel.

Meetings are held when required and attended by the Chief Executive and Director of Governance & HR.

During 2024-25, it particularly focussed on:

- Annual pay award for MAC staff from 1 April 2025 taking into consideration inflation, increase in Government National Minimum/Living Wage and changes to employer national insurance contributions.
- Implementation of new legislation relating to sexual harassment
- Agreeing approach for pay and grading review and supporting tender process for consultants.

Nominations Committee

Members: Chairs of Boards, deputy chairs and sub-committee chairs.

Role: To oversee Board membership including recruitment, induction, and allocation of additional roles on the Board.

Meetings are held when required and attended by the Chief Executive and Director of Governance & HR.

During 2024-25, it particularly focussed on:

- Trustee recruitment/succession planning with a particular focus on recruitment of Trustees with experience in governance, risk management and financial understanding.

3.5. MAC Trading, our subsidiary company

The Charity's wholly owned subsidiary, Midlands Arts Centre Trading Limited was established to provide catering services, event sales, venue hires and retail activities and operates from the site of its parent company, Midlands Arts Centre.

Directors Mike Williams (Chair)
Martin Leppard
Kam Bains (resigned 24 September 2024)
Margaret O'Sullivan (29 January 2025)

Company Registration Number 03261120

Registered Office Cannon Hill Park
Birmingham
B12 9QH

3.6. Trustees and Professional Advisers

The following table illustrates the individuals who have served on the Board of Trustees during 2024-25 and key movements in 2025-26 to the date of this report.

Trustee	Changes	Committee and Other Responsibilities
Cllr Matt Bennett		Birmingham City Council representative
Gurdip Bhangoo		Safeguarding Lead
Selina Brown		
Letha Charles	Leave of absence from 30 Jan 25	Chair F&G
Stephanie Dale		Environmental Lead
Owen Dutton		Vice Chair
Linda Jones		Chair HR Committee
Michael Jones	Appointed 27 Mar 25	F&G Committee
Cllr Mary Locke		Birmingham City Council representative
Haseena Lockhat		EDI Lead, HR Committee member
Mary Martin	Resigned 30 Sep 24	Chair
Neil McGowan		F&G Committee member
Ros Robins	Elected Chair 30 Sep 24	Chair
Arfa Ruhee	Appointed 27 March 25	
Michael (Mike) Williams	Acting Chair F&G from 30 Jan 25	Chair Trading, Acting Chair F&G
Michelle Williams		HR Committee member

Letha Charles, Linda Jones and Mike Williams will retire by rotation and, being eligible will offer themselves for re-election at the forthcoming AGM.

3.6.1. Senior Management Team

Deborah Kermode	Chief Executive and Artistic Director
Nicola Rowe	Deputy CEO & Director of Commercial & Operations
Barbara Clements	Head of Finance
Sally Ann Pennington	Director of Development
Holly Mulhern	Director of Governance and HR & Company Secretary

3.6.2. Registered Office

Charity Name:	Midlands Arts Centre
Charity Registration Number:	528979
Company Registration Number:	00718349
Registered and Principal Office	Cannon Hill Park, Birmingham B12 9QH

3.6.3. Professional Advisers

Bankers

HSBC Plc
130 New Street
Birmingham
B2 4JU

Auditors

Forvis Mazars LLP
2 Chamberlain Square
Birmingham
B3 3AX

3.7. Statement of Trustees' Responsibilities

The directors (who are also Trustees of Midlands Arts Centre for the purpose of Charity Law) are responsible for preparing the Annual Report, including the Strategic 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of 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 group for that period. In preparing these financial statements, the directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate and proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

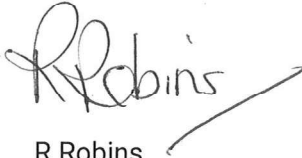
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

3.8. Disclosure of Information to Auditors

As far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By Order of the Board



R Robins
Chair



H Mulhern
Secretary

30 September 2025

4. Independent Auditor's Report on the Financial Statements to the Members of Midlands Arts Centre

Opinion

We have audited the financial statements of Midlands Arts Centre (the 'parent charity') and its subsidiary ('the group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement 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 FRS 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 and the parent charity's affairs as at 31 March 2025 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's or the charity'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 including Strategic 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.

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 and the strategic 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 strategic report and the directors' report included within the trustees' report have 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 strategic report or 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 36, the trustees (who are also directors of the 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's responsibilities for the audit of the financial statements

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, Charities Act 2011 and the Companies Act 2006.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



[David Hoose \(Oct 24, 2025 07:28:04 GMT+1\)](#)

David Hoose (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
First Floor
2 Chamberlain Square
Birmingham
B3 3AX

Date: 24/10/2025

5. Financial Statements

5.1. Consolidated Statement of Financial Activities

Midlands Arts Centre
(including consolidated Income and Expenditure Account)
for the year ended 31 March 2025

	Notes	Unrestricted funds £	Restricted building project £	MAC Sustainability Fund £	Other restricted projects £	2025 Total £	2024 Total £
INCOME							
<i>Donations and legacies</i>	2	144,200	-	-	-	144,200	39,719
<i>Income from charitable activities</i>							
Grants, donations and other income	3	838,121	-	-	1,246,427	2,084,548	2,121,223
Arts activities	4	1,463,240	-	-	-	1,463,240	1,461,773
<i>Income from other trading activities</i>							
Commercial trading operations	5	1,990,443	-	-	-	1,990,443	2,005,847
Office lettings, hire and recharges		81,837	-	-	-	81,837	37,076
<i>Investment income</i>	2	47,601	-	-	-	47,601	29,074
Total income		4,565,441	-	-	1,246,427	5,811,868	5,694,712
EXPENDITURE							
<i>Expenditure of raising funds</i>							
Commercial trading operations	6	1,821,244	-	-	-	1,821,244	1,820,007
<i>Expenditure on charitable activities</i>							
Small Scale Building Project Cost	15	-	16,928	-	-	16,928	19,547
Arts activities	6	3,080,807	-	-	1,344,160	4,424,967	3,801,190
Total expenditure		4,902,051	16,928	-	1,344,160	6,263,139	5,640,744
Net (expenditure)/ income for the year		(336,610)	(16,928)	-	(97,733)	(451,271)	53,968
Transfers between funds		-	-	-	-	-	-
Net movement in funds for the year		(336,610)	(16,928)	-	(97,733)	(451,271)	53,968
<i>Reconciliation of funds</i>							
Total Fund brought forward		1,050,093	1,869,401	555,321	1,292,983	4,767,798	4,713,830
Total funds carried forward		713,483	1,852,472	555,321	1,195,250	4,316,527	4,767,797

All activities of the Group are continuing and there is no difference between the reported result for the year stated above and that on a historical cost basis.

The Group has no recognised gains and losses other than those included in the Consolidated Statement of Financial Activities.

The notes on pages 45 to 64 form part of these financial statements.

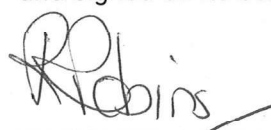
5.2. Consolidated and Company Balance Sheets

Midlands Arts Centre
Company Number 00718349
as at 31 March 2025

		Consolidated		Company	
	Notes	2025 £	2024 £	2025 £	2024 £
FIXED ASSETS					
Tangible fixed assets	9a	2,256,371	2,329,072	2,256,371	2,329,072
Intangible fixed assets	9b	40,855	50,943	40,855	50,943
Investment in subsidiary undertaking	10	-	-	100	100
Total Fixed Assets		<u>2,297,226</u>	<u>2,380,016</u>	<u>2,297,326</u>	<u>2,380,116</u>
CURRENT ASSETS					
Stocks	11	72,101	68,219	-	32,596
Debtors	12	451,572	858,634	467,843	819,249
Cash at bank and in hand:					
- unrestricted		630,194	307,670	494,326	224,134
- restricted – projects		1,195,250	1,292,983	1,195,250	1,292,983
- restricted – MAC Sustainability Fund		555,321	555,321	555,321	555,321
Total Current Assets		<u>2,904,438</u>	<u>3,082,827</u>	<u>2,712,740</u>	<u>2,924,283</u>
LIABILITIES					
Creditors falling due within one year	13	(885,137)	(695,044)	(693,539)	(536,600)
NET CURRENT ASSETS		<u>2,019,301</u>	<u>2,387,783</u>	<u>2,019,201</u>	<u>2,387,683</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,316,527</u>	<u>4,767,799</u>	<u>4,316,527</u>	<u>4,767,799</u>
NET ASSETS		<u>4,316,527</u>	<u>4,767,799</u>	<u>4,316,527</u>	<u>4,767,799</u>
Represented by:					
RESTRICTED FUNDS					
Building Projects	15	1,852,473	1,869,401	1,852,473	1,869,401
MAC Sustainability Fund	15	555,321	555,321	555,321	555,321
Other	15	1,195,250	1,292,983	1,195,250	1,292,983
UNRESTRICTED FUNDS					
General Funds	17	413,483	750,094	413,483	750,094
Designated Funds	17	300,000	300,000	300,000	300,000
		<u>4,316,527</u>	<u>4,767,799</u>	<u>4,316,527</u>	<u>4,767,799</u>

The notes on pages 45 to 64 form part of these financial statements.

The financial statements were approved by the Board of Directors on 30 September 2025 and signed on its behalf by:


.....
R Robins – Chair

5.3. Consolidated Cashflow Statements

Midlands Arts Centre for the year ended 31 March 2025

	Notes	2025 £	2024 £
Reconciliation of net (outgoing)/incoming resources to net cash flow from operating activities			
Net (outgoing)/incoming resources		(451,272)	53,969
Depreciation and amortisation charges	9a, 9b	120,884	109,642
Net interest	2	(47,601)	(29,074)
(Decrease) in stocks	11	(3,882)	(8,765)
Increase in debtors	12	407,061	(437,795)
Decrease in creditors	13	190,093	51,374
Net cash inflow/ (outflow) from operating activities		<u>215,283</u>	<u>(260,649)</u>
CASH FLOW STATEMENT			
Net cash inflow/ (outflow) from operating activities		215,283	(260,649)
Returns on investments and servicing of finance	(a)	47,601	29,074
Capital expenditure	9a, 9b	(38,094)	(98,615)
Fixed assets written off	7	-	13,772
Increase/(Decrease) in cash	(b)	<u>224,790</u>	<u>(316,418)</u>

The notes on pages 45 to 64 form part of these financial statements.

5.4. Notes to the Financial Statements

Midlands Arts Centre
for the year ended 31 March 2025

<u>Returns on investment and servicing of finance</u>		2025	2024	
		£	£	
(a)				
	Interest received	47,601	29,074	
(b)	<u>Increase/(Decrease) in cash</u>	2025	2024	
		£	£	
	Balance at beginning of period	2,155,975	2,472,392	
	Net cash flow (note c)	224,791	(316,417)	
	Balance at end of period	2,380,765	2,155,975	
(c)	<u>Reconciliation of net cash flow to movements in net funds</u>			
			£	
	Increase in cash during year being change in net funds		224,791	
	Net funds at 1 April 2024		2,155,975	
	Net funds at 31 March 2025		2,380,765	
(d)	<u>Analysis of changes in net funds</u>	At 1 April	Cash	At 31 March
		2024	flows	2025
		£	£	£
	Cash at bank	2,155,975	224,791	2,380,765

1. Accounting Policies

The principal accounting policies adopted, judgement and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

Midlands Arts Centre is a charitable company limited by guarantee and incorporated in England and Wales under company number 00718349. It is also registered with the Charity Commission for England and Wales under registration number 528979. The registered office is Cannon Hill Park, Birmingham, B12 9QH.

Midlands Arts Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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.

b Basis of Consolidation

The consolidated financial statements consolidate the results of the parent company and of the subsidiary on a line-by-line basis. A separate Statement of Financial Activities and income and expenditure account for the charitable company itself are not presented because advantage has been taken of the exemptions afforded by section 408 of the Companies Act 2006.

c Income

Income from arts activities is included in incoming resources in the period in which the relevant activity takes place. Income is deferred when admission fees are received in advance of the performances or events to which they relate.

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income from commercial trading operations is recognised as earned.

Investment income is included in the financial statements as and when receivable and the amounts shown include taxation recoverable thereon, where applicable.

d Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

e Donated services

Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included as an estimate based on the value of the contribution to the charity.

f Expenditure and irrecoverable VAT

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the café, bar, room hires and their associated support costs.
- Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

All costs are allocated between the expenditure categories of the Consolidated Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

g Fixed Assets, Depreciation, and impairment

All assets that are considered to have a useful economic life (UEL) are capitalised and held as tangible fixed assets. All tangible fixed assets are held at cost less accumulated depreciation with the exception of leasehold land and buildings which are held at the value of the lease premium as determined at 31 March 2022.

Depreciation is provided at rates calculated to write off the costs of the asset, less its estimated residual value, over its UEL as follows:

Buildings

The new lease arrangements with Birmingham City Council were agreed in March 2022 and finalised in April 2022. The lease is for 99 years and the intention is to write off the lease premium over the period of the lease.

Short-term leasehold improvements and fixtures, fittings and equipment

Depreciation is being provided on short-term leasehold improvements and fixtures, fittings and equipment other than computers in equal annual instalments over their estimated working life of between 3 to 25 years.

Computers

Depreciation on computers is being provided in equal instalments over an estimated working life of between 3 to 5 years.

Impairment

All long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. In such circumstances the charitable group estimates the future cash flows expected to result from the use of the asset and its disposal and where those are less than the carrying amount an impairment loss is recognised.

h Intangible Assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the asset can be measured reliably.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life. The MAC amortises the costs of the website over the expected useful life of 7 years.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

i Capital grants

Grants and donations received for capital purposes are accounted for as restricted funds and depreciation of the underlying fixed assets is charged to these funds.

j Stock

Stock is valued at the lower of cost and estimated realisable value.

k Lease rentals

Rentals on operating leases are recognised in the Statement of Financial Activities on a straight-line basis as incurred.

l Pre-production costs

Any costs which are not able to be recycled or resold are written off and are not carried forward to match against production income.

m Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o Pension costs

To meet the requirements of auto-enrolment of staff into a pension scheme, the company offers the NEST pension scheme.

p Going concern

The Board of Trustees are required to consider whether Midlands Arts Centre has sufficient current and forecast cash resources to cover the working capital requirements of the company for at least 12 months from the date of signing this report and financial statements. The Trustees have considered the effect external pressures such as the cost-of-living crisis, salaries and inflation. Having assessed how these factors impact the going concern position, they believe the charity will continue to operate for a period of at least 12 months from the date of signing these accounts.

In coming to this opinion, they have considered:

- Given the level of reserves and cash holdings the Board considers that there are sufficient resources available to the Charity to sustain the operation in all likely scenarios and the Charity will be able meet all the requirements of our obligations;
- The strong level of funding already confirmed until end of financial year 2025-26 with key partners; Arts Council England, Players of the People's Postcode Lottery and Youth Music;
- MAC has a strong reliance on Arts Council England revenue grant (18%). At our most recent risk assessment review (May 2025) the organisation has been rated as having minor risk, with overall comment "organisation demonstrates strong leadership and governance in Board papers/reports" "with strong activity and investment plans reflecting growth";
- The continued financial support from longstanding major trusts and foundations through 2025 into 2026 and the investment of new grant-givers;
- The strong cash balances and good level of reserves, enough of which are unrestricted and available to absorb short-term deficits, if required;
- The charitable company's renewed business plans and operating basis.

All these factors allow the Trustees to be satisfied that the charitable company remains a going concern, and as such, the financial statements have been prepared on a going concern basis.

q Financial Instruments

MAC only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

Amounts due from MAC's wholly owned subsidiary are held at face value less any impairment.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

r Critical estimates and significant judgements

The Trustees consider that there are no significant areas of judgement or key assumptions that affect items in the financial statements other than those included within the accounting policies described above.

s Redundancy Policy

Employees with two years' continuous employment made redundant will be entitled to a statutory redundancy payment. The amount of a statutory redundancy payment is calculated according to a formula based on the employee's age, length of service and week's pay.

t Cash and cash equivalents

Cash is represented by cash in hand. Cash equivalents represent deposits with financial institutions repayable at maturity. These are liquid investments that mature no more than 12 months from the year-end and with an insignificant risk of change in value.

2. Income from grants and donations

	2025 £	2024 £
(a) Grants, Donations and other income - unrestricted		
Pinsent Masons pro-bono fees	2,600	3,807
Fundraising and gift aid donations	141,600	35,912
	<u>144,200</u>	<u>39,719</u>
(b) Investment Income		
Unrestricted	47,601	29,074
Restricted	-	-
	<u>47,601</u>	<u>29,074</u>

3. Income from Charitable Activities

(a)	Grants, Donations and other income - unrestricted	2025	2024
		£	£
	Arts Council England	752,748	752,748
	Other Income	85,373	307,828
		<u>838,121</u>	<u>1,060,576</u>
(b)	Grants, Donations and other income - restricted		
	General Projects	2025	2024
		£	£
	Arts Council England - Exceptional Grant	96,377	-
	Birmingham City Council	67,262	-
		<u>163,639</u>	<u>-</u>
	General Projects - other	2025	2024
		£	£
	Arts Council England		-
	National Foundation for Youth Music/Million Hours	93,751	54,375
	Roughley Trust	5,000	5,500
	Radcliffe Trust	-	3,000
	Feeney Trust	-	6,500
	People's Postcode Lottery	825,000	750,000
	Nottingham Media	19,084	13,624
	Fidelity/Sampad (Community)	27,740	133,150
	National Collection Fund	-	32,535
	Southbank Centre	12,500	11,583
	Culture Centre	-	19,500
	Birmingham University - R&D	-	5,000
	Theatres Trust	-	17,362
	MK Rose	5,000	-
	Barings Foundation	25,000	-
	New Work trust	30,000	-
	Saintbury	4,000	-
	Eversheds	7,500	-
	Turner Trust Grant	3,000	-
	The Rowlands Trust	3,500	-
	Cinema Funding	10,000	-
	Other Projects	11,713	8,518
		<u>1,082,788</u>	<u>1,060,647</u>

4. Income from Arts Activities

	2025 £	2024 £
Cinema	276,220	241,478
Learning and Participation	752,471	705,815
Visual Arts	22,984	42,521
Productions and Performances	279,986	241,873
Other Income	131,579	230,086
	<u>1,463,240</u>	<u>1,461,773</u>

All income generated from Arts Activities for the 2025 and 2024 year relates to unrestricted funds.

5. Income from Trading Operations

The charitable company owns 100% of the share capital of Midland Arts Centre Trading Limited which provides catering services, event sales, venue hires and retail activities. The trading results and net asset position of the company for the year ended 31 March 2025 are as follows.

	2025 £	2024 £
Turnover	2,022,499	2,024,482
Cost of sales	<u>(408,777)</u>	<u>(397,360)</u>
Gross (loss)/profit	1,613,722	1,627,122
Interest received	674	4,655
Staff costs	(885,782)	(788,196)
Other operating costs	(90,856)	(159,451)
Transactions with parent company:	-	-
Facility fee payable	(498,750)	(475,000)
Technical and customer services support recharged	(29,504)	(40,766)
Covenanted profit transferred under gift aid	<u>(109,503)</u>	<u>(168,365)</u>
Operating (loss)/profit	-	-
Tax on profit on ordinary activities	-	-
Retained in subsidiary	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary at 31 March were:		
Net current assets	<u>100</u>	<u>100</u>
Total net assets	<u>100</u>	<u>100</u>
Aggregate share capital and reserves	<u>100</u>	<u>100</u>

During the year, Midlands Arts Centre Trading Limited made sales of £32,057 (2024: £18,636) to the parent charity.

6. Total Expenditure

Costs directly allocated to activities

	Cinema	Learning and participation	Visual Arts	Performing Arts	Other Restricted Projects	Restricted Building Projects	Trading operations	2024/25 Total	2023/24 Total
	£	£	£	£	£	£	£	£	£
Staff costs, travel and subsistence	156,071	741,206	212,729	318,822	199,934	-	885,782	2,514,544	2,276,346
Payments relating to artists	126,593	44,589	117,351	309,126	625,982	-	-	1,223,641	901,464
Materials and consumables	851	56,287	54,027	5,657	100,463	-	440,548	657,834	594,446
Communications	11,188	31,203	13,661	22,325	1,610	-	-	79,987	81,443
Administration	10,795	36,188	13,832	23,141	73,286	-	160,291	317,533	298,613
Total direct costs	305,499	909,473	411,600	679,072	1,001,275	-	1,486,621	4,793,539	4,152,312

Support costs allocated to activities

Premises and services costs	31,693	66,833	27,672	47,759	76,070	16,928	77,662	344,616	375,413
Building running costs	29,024	79,302	35,153	57,794	89,998	-	87,725	378,995	389,552
HR and administration	9,797	26,766	11,859	19,508	28,208	-	29,447	125,585	154,532
IT & Finance	30,007	81,991	36,359	59,751	97,661	-	91,044	396,813	361,848
Governance	4,890	12,129	7,319	9,790	7,897	-	9,404	51,429	59,208
Operations and planning	12,944	35,367	15,686	25,773	43,051	-	39,341	172,163	147,879
Total support costs	118,354	302,387	134,048	220,375	342,885	16,928	334,623	1,469,600	1,488,432

Total costs - 2024-25

	423,852	1,211,860	545,648	899,447	1,344,160	16,928	1,821,244	6,263,139	-

Total costs - 2023-24

	357,925	1,132,989	496,376	806,248	1,007,651	19,547	1,820,007	-	5,640,744

£1,361,088 (2024: £1,027,198) of the above costs were attributable to restricted funds. £4,902,051 (2024: £4,613,546) of the above costs were attributable to unrestricted funds.

Except for where costs can be directly allocated to activity headings, the method of apportionment of costs to activity headings is based, mostly, on activity levels. Actual income generated in the year has been used to indicate levels of activity.

7. Charitable Expenditure

Expenditure includes:	2025 £	2024 £
Auditors' remuneration		
- in respect of audit of the Charity	23,500	21,567
- in respect of audit of the Charity's subsidiary company	3,500	4,500
- for specialist advice (all parent Charity)	11,780	10,559
Depreciation and amortisation – owned assets	120,884	109,642
Fixed assets written off	<u>3</u>	<u>13,772</u>

8. Staff Costs

The aggregate staff costs of the charitable group were:

	2025 £	2024 £
Wages and salaries	2,992,331	2,774,165
Social security costs	203,820	195,358
Pension costs	<u>53,690</u>	<u>48,812</u>
	<u>3,249,841</u>	<u>3,018,335</u>

Redundancy and termination payments amounting to £6,500 (2024: £8,520) were paid during the year.

Holiday pay of £6,930 (2024: £15,000) is included in provisions.

The company has also established a defined contributed scheme with NEST.

Higher Paid Staff

	2025 Number	2024 Number
The number of employees whose remuneration fell within the band £80,000 to £89,999	<u>1</u>	<u>1</u>
The number of employees whose remuneration fell within the band £70,000 to £79,999	<u>0</u>	<u>0</u>
The number of employees whose remuneration fell within the band £60,000 to £69,999	<u>1</u>	<u>1</u>

No other employees were paid remuneration of more than £60,000 in current or previous year.

Trustees' and key management personnel remuneration and expenses

One trustee received remuneration or reimbursed expenses during the year £101. (2024: £Nil)

The total amount of employee benefits received by key management personnel is £342,601 (2023: £327,888). Key management personnel are set out on page 35 of this report.

Average number of employees

The average number of employees in the year was as follows:

	2025 Number	2024 Number
Business and administration staff – Full time	18	16
Business and administration staff – Part time	42	59
Arts team – Full time	22	10
Arts team – Part time	59	66
Catering, bar and events staff - Full Time	15	11
Catering, bar and events staff - Part Time	33	37
	<u>189</u>	<u>199</u>

9a. Tangible Fixed Assets

Consolidated and Company	Leasehold land and buildings £	Leasehold Improvements £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2024	973,000	1,463,531	448,204	111,751	2,996,486
Additions	-	-	24,418	13,680	38,098
Disposals	-	-	(3)	-	(3)
At 31 March 2025	973,000	1,463,531	472,619	125,431	3,034,581
Depreciation					
At 1 April 2024	20,569	206,707	341,405	98,733	667,414
Charge for year	9,828	60,313	29,046	11,609	110,796
Disposals	-	-	-	-	-
At 31 March 2025	30,397	267,019	370,451	110,343	778,210
Net book values					
At 31 March 2025	942,603	1,196,512	102,168	15,088	2,256,371
At 31 March 2024	952,431	1,256,825	106,799	13,018	2,329,072

9b. Intangible Assets

	Intangibles £	Total £
Cost		
At 1 April 2024	52,797	52,797
At 31 March 2025	52,797	52,797
Amortisation		
At 1 April 2024	1,854	1,854
Charge for year	10,088	10,088
At 31 March 2025	11,942	11,942
Net book values		
At 31 March 2025	40,855	40,855
At 31 March 2024	50,943	50,943

10. Investment in Subsidiary Undertaking

The company owns 100% of the issued share capital of Midlands Arts Centre Trading Limited, a company registered in England and Wales, and whose principal activity is the provision of catering services, event sales and hire. The results and financial position of the subsidiary undertaking are set out in note 5.

11. Stock

	Consolidated		Company	
	2025	2024	2025	2024
	£	£	£	£
Catering and bar stocks	15,266	13,575	-	-
Retail Stock	56,835	54,644	-	32,596
	<u>72,101</u>	<u>68,219</u>	<u>-</u>	<u>32,596</u>

12. Debtors

	2025	Consolidated 2024	2025	Company 2024
	£	£	£	£
Amounts falling due within one year				
Due from subsidiary undertaking	-	-	106,168	76,891
Other debtors	138,138	182,334	59,101	92,907
Taxation	22,153	29,336	22,153	29,336
Prepayments	183,965	119,536	182,382	120,243
Accrued income	107,316	527,428	98,040	499,872
	<u>451,572</u>	<u>858,634</u>	<u>467,843</u>	<u>819,249</u>

13. Creditors

	2025	Consolidated 2024	2025	Company 2024
	£	£	£	£
Amounts falling due within one year				
Trade creditors	87,703	193,166	63,875	137,343
Taxation and social security	144,202	132,505	51,356	45,227
Other creditors	81,061	15,021	46,414	15,334
Accruals	338,476	107,854	311,844	92,198
Deferred income	233,695	246,498	220,050	246,498
	<u>885,137</u>	<u>695,044</u>	<u>693,539</u>	<u>536,600</u>

Deferred Income has arisen where events and courses are sold ahead of the actual date of the event. This is deferred in the accounts balance sheet to be released in the correct accounting period.

14. Operating Lease Commitments

The total minimum lease payments due by the charitable company at 31 March 2025 in respect of non-cancellable operating leases are as follows:

	Consolidated Other operating leases		Company Other operating leases	
	2025	2024	2025	2024
Within one year	2,415	9,338	2,415	9,338
Within one and two years	1,031	2,415	1,031	2,415
Within two to five years	344	1,375	344	1,375
	<u>3,790</u>	<u>13,128</u>	<u>3,790</u>	<u>13,128</u>

15. Restricted Funds (Charity and Group)

	Capital Development £	Small Scale Capital Development Project £	MAC Sustainability Fund £	Projects (note 16) £	Total £
At 1 April 2023 b/f	963,172	925,776	555,321	1,239,987	3,684,256
Incoming resources					
Incoming resources (note 2,3)	-	-	-	1,060,647	1,060,647
Resources expended					
Income from other trading activities	(10,741)	(8,806)	-	-	(19,547)
Arts activities	-	-	-	(1,007,651)	(1,007,651)
Transfers	-	-	-	-	-
At 31 March 2024 c/f	<u>952,431</u>	<u>916,970</u>	<u>555,321</u>	<u>1,292,983</u>	<u>3,717,705</u>
At 1 April 2024 b/f	952,431	916,970	555,321	1,292,983	3,717,705
Incoming resources					
Incoming resources (note 2,3)	-	-	-	1,246,427	1,246,427
Resources expended					
Small Scale Building Project Cost	(9,107)	(7,821)	-	-	(16,928)
Arts activities	-	-	-	(1,344,160)	(1,344,160)
Transfers	-	-	-	-	-
At 31 March 2025 c/f	<u>943,324</u>	<u>909,149</u>	<u>555,321</u>	<u>1,195,250</u>	<u>3,603,044</u>

The Capital Development Fund matches the lease premium (notional value) of the 99 year lease currently held by MAC from Birmingham City Council.

The Small Scale Capital Development Project represents capital grants received for minor capital works.

The MAC Sustainability Fund is available to support MAC in financing any costs of an exceptional nature.

The Restricted Projects comprise restricted funds provided by a large number of donors and funders. They are utilised in accordance with their specific purposes throughout the year.

16. Analysis of Restricted Project Funds (Charity and Group)

	1 April 2024 £	Incoming resources £	Resources expended £	31 March 2025 £
National Foundation for Youth Music Youth music inclusion programme working with children and young people in challenging circumstances	(13,521)	93,751	(80,230)	-
Other Projects**	1,306,504	1,152,676	(1,263,930)	1,195,250
Total	1,292,983	1,246,427	(1,344,160)	1,195,250

* Refer to note 3 for list of supporters

** Includes sums from a range of supports including The Roughley Trust, Nottingham Media, Southbank Centre, Sampad Community Funds, Barings Foundation, New Work Trust, and The Turner Trust towards commissions, productions, exhibitions and events as part of MAC's longer range artistic programme.

Comparison to financial year ended 31 March 2024

	1 April 2023 £	Incoming resources £	Resources expended £	31 March 2024 £
National Foundation for Youth Music Youth music inclusion programme working with children and young people in challenging circumstances	73,986	54,375	(141,882)	(13,521)
Other Projects**	1,166,001	1,006,272	(865,769)	1,306,504
Total	1,239,987	1,060,647	(1,007,651)	1,292,983

17. Unrestricted Funds (Consolidated and Company)

	General Funds £	Designated Funds £	Total £
At 1 April 2023 b/f	729,574	300,000	1,029,574
Net incoming resources before transfers	20,520	-	20,520
Transfer of funds	-	-	-
At 31 March 2024 c/f	750,094	300,000	1,050,094
At 1 April 2024 b/f	750,094	300,000	1,050,094
Net incoming resources before transfers	(336,610)	-	(336,610)
Transfer of funds	-	-	-
At 31 March 2025 c/f	413,484	300,000	713,484

UNRESTRICTED FUNDS (Charity)

	General Funds £	Designated Funds £	Total £
At 1 April 2024	750,094	300,000	1,050,094
Net incoming resources before transfers	(336,610)	-	(336,610)
Transfer of funds	-	-	-
At 31 March 2025	413,484	300,000	713,484

18. Analysis of Group Net Assets Between Funds

	Unrestricted Funds Consolidated £	Restricted Funds Consolidated £	MAC Sustainability Funds Consolidated £	Total Funds £
Fund balances at 31 March 2025 are represented by:				
Fixed assets	444,753	1,852,473	-	2,297,226
Stock	72,101	-	-	72,101
Debtors	451,572	-	-	451,572
Cash at bank and in hand	630,194	1,195,250	555,321	2,380,765
Creditors	(885,137)	-	-	(885,137)
	<u>713,483</u>	<u>3,047,723</u>	<u>555,321</u>	<u>4,316,527</u>

Comparison to financial year ended 31 March 2024

	Unrestricted Funds Consolidated £	Restricted Funds Consolidated £	MAC Sustainability Funds Consolidated £	Total Funds £
Fund balances at 31 March 2024 are represented by:				
Fixed assets	510,614	1,869,401	-	2,380,016
Stock	68,219	-	-	68,219
Debtors	858,634	-	-	858,634
Cash at bank and in hand	307,670	1,292,983	555,321	2,155,975
Creditors	(695,044)	-	-	(695,044)
	<u>1,050,093</u>	<u>3,162,385</u>	<u>555,321</u>	<u>4,767,799</u>

The designated funds within unrestricted funds are represented by cash at bank.

19. Financial Activities of the Charitable Company

The financial activities shown in the consolidated statement of financial activities includes those of the company's wholly owned subsidiary.

A summary of the financial activities undertaken by the parent charitable company is set out below.

	2025 £	2024 £
Gross incoming resources	3,990,624	3,874,704
Total expenditure on charitable activities	(4,390,467)	(3,761,528)
Governance costs	(51,429)	(59,208)
Exceptional Items	-	-
Net (outgoing)/incoming resources for the year	<u>(451,272)</u>	<u>53,969</u>
Total funds brought forward	4,767,799	4,713,830
Total funds carried forward	<u>4,316,527</u>	<u>4,767,799</u>
Represented by:		
Unrestricted funds	413,484	750,094
Designated funds	300,000	300,000
Restricted funds	3,603,043	3,717,705
	<u>4,316,527</u>	<u>4,767,799</u>

20. Other Lease Commitments

The charitable company has the commitment to pay a peppercorn rent expiring after more than 5 years on the leasehold, land, and buildings at Cannon Hill Park.

21. Contingent Liabilities

The charitable company is the representative member of a VAT registration group with its subsidiary company. The parent and subsidiary are jointly and severally liable for any VAT due from the representative member.

22. Tax Status

As a charitable company, Midlands Arts Centre is exempt from tax on income and gains falling within 481 to 489 of the Corporation Taxes Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company. The Trading subsidiary has no profits which are subject to taxation under the Income and Corporation Taxes Act 2010.

23. Pensions

Nest Pension

The Company offers the NEST pension scheme to meet the requirements of auto-enrolment of staff into a pension scheme.

24. Members

The charity is incorporated as a company limited by guarantee, and in accordance with the memorandum of association of the company, every member of the company undertakes to

contribute to the assets of the company in the event of its being wound up while they are a member, or within one year after they cease to be a member, for the payment of the debts and liabilities of the company contracted before they cease to be a member and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required, not exceeding £1.

The number of members at 31 March 2025 was 15 (2024:17).

25. Related Parties Transactions

A number of trustees of Midlands Arts Centre have interests in organisations which have provided support and funding to the charity in the year. The trustees have considered the disclosure requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102), and of Financial Reporting Standard 102, and consider that the transactions requiring disclosure are as follows:

- a. Linda Jones, Trustee, is a partner of Pinsent Masons LLP, a firm the charity used in the year ending 31 March 2025 for the provision of specialist advice in relation employee relations. Pro-bono fees donated by Pinsent Masons are disclosed in note 2 to the accounts.
- b. Owen Dutton, Trustee is a Legal Director of Eversheds Sutherland, a firm the Charity has a corporate sponsorship arrangement with, amounting to £7,500 pa.

Transactions with the charity's totally owned subsidiary, Midlands Arts Centre Trading Ltd, are disclosed in note 5 to the accounts, and the balances owed to or due from the company are disclosed in note 12.

26. Ultimate Controlling Party

MAC is controlled by its Board of Trustees.

MIDLANDS ARTS CENTRE

England & Wales - Charity number 528979

Accounts

Midlands Arts Centre

A Company Limited by Guarantee

Trading as MAC

Annual Report & Financial Statements For The Year Ended 31 March 2024

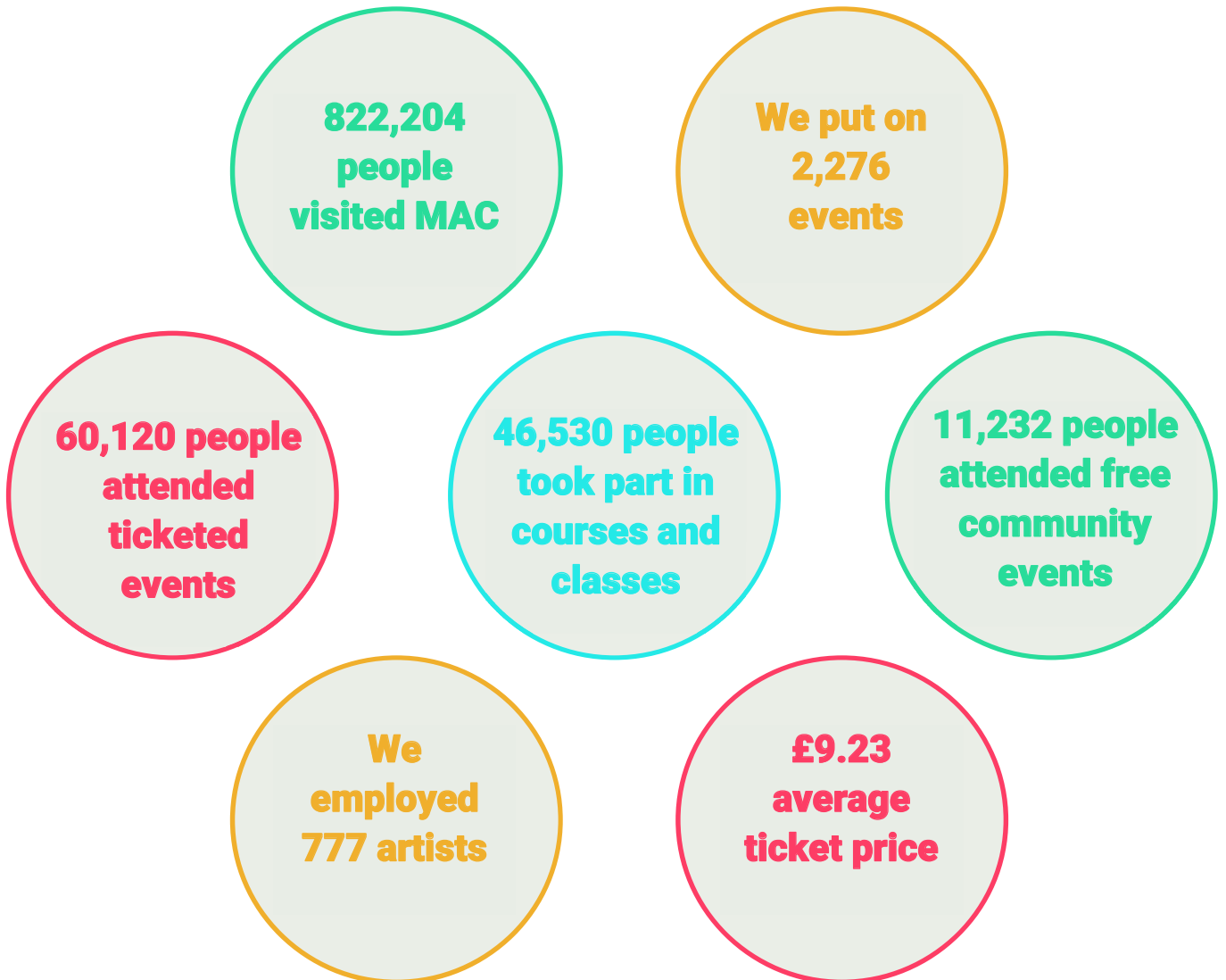
Company No: 00718349
Charity No: 528979

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Overview

The Year in Numbers



Chair's Statement

I am pleased to report that MAC continued to move forward positively in 2023/24 as we produced a strong recovery across all activities. Visitor loyalty was demonstrated through buoyant ticket sales and increased year on year footfall which reached 820k (93% of the pre Covid levels) and these figures and the extraordinary response to our artistic programme ensures we continue our mission 'to promote innovative, creative arts activities in ways which help to establish them as an important part of people's lives'. Indeed, the Learning & Participation programme generated almost £50k more income this year and it is notable that 93% of those engaging were Birmingham residents.

In 2023, MAC joined forces with Birmingham City Council to celebrate Cannon Hill Park's 150th anniversary. Our park location is an enormous asset to us and the communities we serve. Spanning 200 acres this much-loved setting is one of the most valued green spaces in the City. Much of our Trading comes directly from our relationship to the park and its visitors and it was fitting that we should host a popular summer festival celebrating the impact of nature on supporting the health and wellbeing agenda.

We have seen excellent growth in MAC's Trading company with Catering and Events Hires outperforming their original targets. They continue to provide outstanding service to a wide range of customers from family celebrations to corporate events. There are many reasons to enjoy MAC's venue, from our newly advertised Sunday Roasts in Kiln or grabbing a coffee before a cinema screening, all of which provides much needed additional income to support our charitable activities.

Unfortunately, our activities were interrupted in October 2023 by the discovery of RAAC (reinforced autoclaved aerated concrete, commonly used in roofing construction) in the roofs of two art studios and the main theatre. Due to health and safety concerns we closed the affected spaces as we sought professional advice to resolve the problem. Much work was undertaken rescheduling events and liaising with customers, and I am proud of everyone for their hard work in repurposing spaces particularly for relocating Motionhouse's amazing Christmas show into the Gallery. The good news is that we have now been able to reopen these spaces in May 2024, having installed temporary supporting structures. I would also like to take the opportunity to thank Arts Council England and Players of the Postcode Lottery who stepped forward so swiftly and generously with their invaluable support to address this issue.

We have many staunch supporters, and I am pleased to report that relationships with local trusts and corporate partners remain strong. The generosity of everyone who passes through MAC is important to us and this has been rewarded in the year-end financial position which is reported as a break-even, no mean feat when we consider the challenges of the economy and the cost of living crisis.

Finally, as Chair, this year I am working closely with the Trustees on succession plans which include my own resignation from the Board on 30 September at the AGM, this after some 25 years supporting MAC. It has been a privilege to help steer the organisation and I am exceptionally proud of how MAC continues to evolve and adapt as times change. I'm delighted to welcome Ros Robins, MAC's Vice Chair, who will be taking the new position of Chair, she brings an incredible wealth of public sector and arts management knowledge to our team and I am confident that she will lead the Board forward to embrace the challenges and opportunities of 2024 and beyond.

I want to extend my thanks to my fellow Trustees and those that have retired from the Board throughout the year, who share their time and wisdom so generously. They are MAC's most valued volunteers and without their steadfast support we would not be in such a strong and resilient position.

I must thank all the hundreds of artists who inspire our audiences – we are committed as ever to your success; and finally, and most especially, to our diligent and caring workforce who work tirelessly to ensure we deliver a high-quality service in everything we do.

Mary Martin, Chair of the Trustees

Chief Executive's Report

This report covers a period of immense development and despite the external pressures facing us we remain an extremely popular venue with visitors. I am proud to report that MAC remains the number 1 most visited free attraction in the West Midlands for 2023 from Visit England's annual survey and 17th most visited free attraction in England. In March 2024 MAC was also named "West Midlands Tourism Awards 2023 for Accessible and Inclusive Tourism Award" in recognition of our work with audiences, artists and marginalised communities. These outstanding awards demonstrate the incredible appeal MAC has to the residents of Birmingham we serve and our strong relationship with artists and stakeholders.

Artistically it has been a terrific year working across multi-art forms and scale. Due to popular demand we extended Grayson's Art Club until 25 June 2023. Green themes were expanded across our artistic programme with audiences sharing their passions for the natural world and climate justice as we commissioned some compelling exhibitions and theatre inspired by the environment. Notably, there has been a renewed confidence from artists and companies to tour their work nationally and re-engage with audiences in a richer more inclusive dialogue and we continue investing in local talent with MAC's first Theatre Commission with CJ Webley and with Kaye Winwood's wellbeing project 'Who Cares?' both connecting directly with a co-collaborative approach to communities. There is certainly a desire for audiences to have a closer relationship with artists, seen in our Learning and Participation programmes with an increase in attendance, networking events and artist talks.

Of course, we owe achievements to MAC's hardworking teams who are more settled and confident. We successfully addressed difficulties in recruitment by upskilling existing colleagues through in-house training to develop them into the roles required and we carried out our first staff survey. I am pleased to report that we reinstated work experience for young people, receiving an overwhelming number of applications eager to learn more about us.

We remain extremely grateful to all our dedicated funders, donors and corporate partners, for their special partnerships with us. We completed our first year of the new Arts Council England agreement and are working successfully to the national 'Let's Create' strategy. Players of the People's Postcode Lottery remain vital to our success and we value their ongoing investment, both their support and ACE was further extended in October 2023, when our services were temporarily disrupted with the discovery of RAAC in three of our public spaces with workshops, performances and events relocated across the venue to alternative rooms. These spaces have since safely reopened but are awaiting a larger capital development in the future, which we are preparing for with a range of partners.

I would like to take this opportunity to thank the Board of Trustees whose hard work contributes to the success of MAC and especially the enormous involvement from Mary Martin, MAC's Chair of Trustees, who is shortly stepping down. I am grateful for her steadfast commitment to getting things done thoroughly and ensuring financial competence but above all her huge care and generosity in guiding myself and colleagues through some very difficult times. We look forward to working with Ros Robins who is taking over the reins as Chair at the AGM in September 2024.

Deborah Kermode, Chief Executive & Artistic Director

Trustees' Report including Strategic Report

The Trustees, who are also the Directors of the charitable company for the purposes of Company Law, present their Annual Report, which includes the Strategic Report, and the audited consolidated financial statements for the charitable group year ended 31 March 2024.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the 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 (FRS102) (effective 1 January 2019).

Who We Are

First opened in 1962, Midlands Arts Centre (MAC) is a pioneering arts centre and charity and an Arts Council England National Portfolio Organisation. Set in Cannon Hill Park, two miles south of the city centre, MAC offers a busy programme of theatre, independent cinema, visual arts exhibitions, creative courses, and special events. MAC is a national leader in developing work with children, young people, and families. At the heart of MAC is a focus on sustainability, accessibility, and inclusion. We work extensively to support international and local artists, and develop programmes for and with the local community.

We want to encourage as many people as possible to:

“explore, examine and enjoy the arts activities of others; and participate in, and undertake, their own arts activities.”

Our Mission is:

To promote innovative, creative arts activities in ways which help to establish them as an important part of people's lives.

Our Vision is:

Artists and their relationship with audiences are at our heart. Our programmes focus on work exploring new grounds and adopting inter-cultural and inter-disciplinary approaches across a range of art forms and the meeting points in between.

Our Values are:

MAC's values underpin all the decisions we take: how we serve our audiences, recruit our staff and engage with artists. MAC values the following:

- artistically experimental activities – and ones striving to engage with their audiences.
- celebrating diversity – and strengthening social cohesion.
- offering equal opportunities to everyone – and recognising the uniqueness of artistic talent.
- increasing the accessibility of the arts – and respecting their complexity.
- giving users and audiences more involvement in, and control over, programming – and introducing them to new challenges and innovations.
- helping artists to find their own, unique voice – and to forge productive partnerships with other artists and the general public.
- making the most of the social benefits of the arts – and valuing the pleasure people gain from their own individual artistic expression.

Further details on all our activities can be found later in this report and on our website: www.macbirmingham.co.uk

Key Highlights from 2023/24

We brought fresh perspective to art and new ways to engage with artists. Our commitment is to always highlight and promote the voices of those in our communities that are under-represented and whose ideas and talents are fresh and innovative. Highlights include:

A Green Year at MAC

150-year Cannon Hill Park Celebrations

Inspired by the park's anniversary we went totally green in 2023 with all our artistic commissions, championing the work of artists whose practice explores issues related to environmentalism, nature and sustainability.

Not The Last by Susie Sillett and Women and Theatre

A story of Birmingham's lesser known benefactor, Louisa Anne Ryland who donated the land in 1873, which would become Cannon Hill Park to the people of Birmingham. It featured two members of a fictional Birmingham-based historical society attempting to find out more about the park's mysterious benefactor. This piece of new writing shined a light on female land ownership, philanthropy, and the vital and varied role of parks and green spaces in our cities. A community photography exhibition by Kate Green called 'Our Park, Our Lives' was exhibited at MAC.

Big Green Weekender

MAC's Big Green Weekender was back 16-17 September 2023, presented as a festival celebrating imagination, creativity and local action on climate, and showcasing MAC's green practice and projects. The aim of the festival was to be relevant to and inspire action by all our communities.

The programme featured short films, talks, live music, creative activities and interactive stalls for local groups. Highlights included an Eco Elders intergenerational film and panel by Based in Brum (featuring members of MAC's Culture Club), performances by Birmingham's rollerskating community, a workshop on bringing up children in the age of climate crisis, an Elan Links event on the history of water with costumed actors in Cannon Hill Park and a family music show by Surge.

We welcomed 8,510 people through the doors and had high levels of engagement; interactive drop-in craft activities were particularly popular with films and talks centred on global majority and intergenerational knowledge and experiences and local green groups stallholders. We later extended the relationship with groups as part of the Tatiana Wolska commission in 2024 and into our sustainability season in autumn 2024.

We successfully launched a new fundraising initiative – Green Futures Campaign over autumn 2023, that saw us rolling out one-off donations particularly around Pollution Pods and donations through the KILN vegan menu. Monies raised totalled £852 and enabled free popular family activities focused on new experiences of nature and creativity.

Pollution Pods by Michael Pinsky

Pollution Pods came to Birmingham for the first time. The huge interactive installation consisted of five interconnected domes that imitate polluted environments in cities around the world. Each pod contains a carefully mixed recipe to emulate each international city's varying levels of atmospheric conditions and smells, providing a unique experience of pollution on our environment and health. Starting from a coastal location in Norway, visitors passed through increasingly polluted cells, from dry and cold locations to hot and humid, including London, New Delhi, San Paolo and Beijing. Presented outside Edgbaston Stadium the educational artwork attracted 3,500 people over a 10-day period with 40% of attendees under 16 years of age. The exhibition was presented in partnership with Edgbaston Stadium and kindly supported by Corkfield.

Worlds Away: Art, Nature and Wellbeing

Sat 2 Sep – Sun 29 Oct | First Floor Gallery

This large-scale group exhibition brought together artists from post-war to contemporary artists who have been inspired by the natural world and its power to stimulate feelings of belonging, mental and physical wellbeing. Artworks from across major national collections were assembled and considered a range of views from the romantic vision of nature as a therapeutic companion to a new contemporary era of 'climate anxiety' and its enormous global challenges. Supported by The Grimmitt Trust in Memory of Marjorie Welch, MK Rose Charitable Trust, Roughley Trust, Arts Council England, and players of People's Postcode Lottery. The exhibition was made possible because of the Government Indemnity Scheme.

Madge Gill: The Clouds Will Burst the Sun Will Shine Again

2 Sep – 26 Nov 2023 | Arena Gallery

A hugely successful exhibition that highlighted the journey through the beautiful work of celebrated, self-taught artist Madge Gill (1882-1961) and organised by independent curator, Sophie Dutton an expert in the artist's work. Gill's prolific work was born from a difficult life and the discovery of enduring inspiration from art, spirituality and nature. Drawings, paintings, embroidery and archival material explore the struggles she faced and the moments of experimentation, joy and hope. This was a tremendously popular exhibition and continues our focus on celebrating 'Outsider artists' those that are nonprofessional in training but have an intuitive response to creativity, like so many of our visitors to MAC's Learning and Participation classes.

Exhibitions

Grayson's Art Club

2 Dec 2022 – 25 June 2023 | Main Gallery

Grayson's Art Club enjoyed a fantastic seven-month period welcoming 33,000 visitors to MAC from all over the UK. We had overwhelmingly positive feedback with people commenting on the quality of the art and the overall positive experience of the venue and staff.

Pottery for Little People Fundraiser

In association with Grayson's Art Club, we organised a successful fundraising initiative raising £5,010 and an additional £4,100 from the charity raffle. An outcome saw us invite students from a local deaf school to take part in a series of ceramics class which beautifully captured the real, transformative effects of creative engagement on the individuals within the group. We reflected the importance of 'closing' the circle in terms of the donation ask and thanking donors through a film that was sent to them and screened publicly on MAC's cinema, to widen the support for the initiative and showcase the powerful emotional connections that the young artist formed as part of the activities.

Marley Starskey Butler: Thirty-Six

11 Nov 2023 – 28 Jan 2024 | Community Gallery

Thirty-Six was the first solo exhibition of Birmingham artist Marley Starskey Butler (b.1987). Informed by both Starskey Butler's personal lived experience of social work and becoming a social worker later in life, the work introduces stories that play with the artist's personal and professional experiences. The show featured photography, video, writing and audio work, exploring the subjects of family, empathy, trauma, identity and understanding. Starskey Butler was a winner of the Portrait of Britain, British Journal of Photography award in 2021. The exhibition was very popular drawing in a mixed crowd of visitors. Many people commented they had been deeply moved by it and we received strong reviews and editorials in specialist journals such as Photography Magazine and Professional Social Work Magazine.

'Thank you for this exhibition. It is very thought provoking especially for me having being brought up in the care system. Mrs Ena's words "it's not where you were born, it's how you are looked after"- Wow! This answers a lot of questions for me.'

'Really inspiring to see a fellow social artist be so expressive and creative, finding that time and sharing your vulnerability! Felt motivated by your exhibition. You are great artist.'

Quilt Art: Material Evidence

13 Jan to 27 May 2024 | Arena Gallery

Material Evidence is an exhibition of textile art by members of the pan-European group Quilt Art. It celebrates the adventurous spirit and rich heritage of women who make art through stitching and is inspired by the life and work of Mary Fogg, a founder member of Quilt Art and pioneering textile artist, who died in 2016 at the age of 95. Each featured artist takes a unique approach to Fogg's legacy, presenting cutting-edge work which aims to transcend people's ideas of what quilting can do. The exhibition was extremely popular and well received, the legacy of which we are now planning to host a larger exhibition in our main gallery with the Quilt Art network planned for 2027.

'Feel that textile art is always underappreciated. The time it takes, the effort to make, thoughts in time carried on the fabric in hand. The play of energy through needles into the physical realm holds the love and warmth and expression in stillness of space. Well done fabric warriors.'

'Beautiful work that demonstrates skill and challenges ideas.'

Incarcerated: Contemporary Arts from the Victorian Prison

6 January – 4 February 2024 | First Floor Gallery

In partnership with University of Birmingham. An exhibition of drawing, sculpture, crafts and writing by people serving time in prisons that were built nearly 200 years ago. Bringing this material into conversation with new photography from Andy Aitchison, archival documents and interviews, it prompts conversations about living and working conditions in historical institutions today.

New Narratives in Photography: Asad Ali, Hira Noor, Ume Laila and Waleed Zafar

8 Feb – 27 May 2024 | Community Gallery, Terrace Gallery

This exhibition showcased new work from Pakistan – a priority for MAC and our commitment to showcases work by South Asian artists. Each artist used photography in new and innovative ways, adopting socially engaged processes and exploring narratives of community, public space and diaspora. Based in Pakistan, the artists were taking part in an international residency produced by photography-led organisations GRAIN Projects in Birmingham, UK, and Tasweerghar in Lahore, Pakistan. Supported by the British Council.

Live Arts & Performances

We present a huge variety of live work at MAC, in this year we showcased 417 productions of dance, theatre and comedy. Much of it is touring work that we select from national and regional touring companies and has a focus that directly interests Birmingham audiences.

RAAC Disruptions

Unfortunately, the theatre was closed for six months as we worked on the issue of RAAC, with much of the live performances (Christmas show, dance, NT Live and comedy) transferred to alternative venues around the building. Teams worked incredibly hard to adapt the programme in difficult circumstances with artists and companies generously supporting us to ensure we could present their work successfully. Artists such as Ken Loach, the esteemed filmmaker did two Q&As in the cinema space to accommodate the sell-out capacity in the theatre that had been originally planned. The most important task was to present the commissioned Christmas show from Motionhouse due to open in the Main Theatre but restaged in the Gallery. The seating capacity was reduced by 70 seats but the show was very well received by audiences and we are grateful for the professional support of Motionhouse to accommodate these rather radical changes to their work in such an alternative space.

Music

At MAC we are keen to promote global music that originates from a wide breadth of experience and is more familiar to many of our wonderful diverse communities we serve examples of this include:

Fanna Fi Allah: Qawaali in the Park

Qawaali music is the physical and musical manifestation of the Sufi religious tradition in South Asia. At MAC we are keen to promote Qawaali music and work closely with MAC's Associate Mukhtar Dar to bring this popular genre of music to Birmingham. This year we worked with a US based group, Fanna Fi Allah, and saw a complete sell out (405 tickets) with key stakeholders such as Cllr. Suleman, BCC in attendance, building on the strategic work with Pakistani communities.

Refugee Week events proved as popular as ever in June and we programmed the first ever **Congolese Independence Day** celebration in collaboration with Birmingham Congolese musician Didier Kisala. This included spoken word, music and a community textiles and fashion show. We welcomed the Congolese ambassador to MAC and will work with him to make the event an even bigger success next year. Here's an extract from the lead musician.

"I just want to say a huge thank-you for taking a leap of faith with us and acknowledging our community and artists living and working here in Birmingham, they have never had anything like this before you cannot know how much it means to them and we hope to work with you to grow it for next year."

Xhosa Cole: Shared Spaces

First Floor Gallery | Wed 2 – Sun 6 Aug

We are keen to encourage musicians to experiment at MAC. Over the summer we invited award-winning Birmingham saxophonist Xhosa Cole to explore the possibilities of using the huge white walled expanse of the main gallery as a music studio and performance space and to led audiences on an extraordinary journey through his debut durational art work. Over the span of five days, Cole embarked on a journey, transitioning from states of sensory deprivation to sensory overload with families interacting to his innovative music by being blindfolded, dancing around the space and drawing on the gallery walls.

The Specials with Neville Staple

We enjoyed a great visitor turn out for The Specials. On occasions such as these we work closely with catering to ensure bar and barbeque sales were excellent and we deliver a super party vibe that brings communities together to celebrate music and dance.

Theatre

Our aim is to programme work that speaks directly to the lived experience of our diverse audiences and shares ideas with neighbours who may be unfamiliar with these stories.

Onjali Q Rauf: The Hero Next Door by Face Front Inclusive Theatre

The Hero Next Door was a ground-breaking new production created especially for children celebrating difference, friendship and working together to do the right thing. Based on a character called Musa, who happens to be a refugee. As a leading inclusive theatre company, Face Front has been proud to assemble a diverse collective of cast and creatives, including disabled, non-disabled and culturally diverse actors.

Sonia Sabri Dance Co: Mughal Miniatures

Mughal Miniatures was a vibrant outdoor performance which celebrates and takes inspiration from the exquisite traditional art of Indian and Persian miniature painting. Performers in sumptuous costumes create a captivating living-picture, transporting audiences back in time to the richness of the Mughal Empire with a surprising contemporary dance twist. This was a free event for families which attracted a brilliantly diverse audience of dance fans and MAC regulars and people who were wandering in from the park.

Jasmine Gardosi: Dancing To Music You Hate

Birmingham Poet Laureate Jasmine Gardosi, made their first appearance at MAC with a spoken word gig event which focuses on gender identity and challenging the binary experience from personal and political view-points. The first half was an open mic where members of the audience were welcomed to the stage to share their work so that helps create an audience for us. The second half featured Jasmine performing their piece DTMYH backed by a band who improvise over the poetry. We had an incredibly diverse audience for this show and 87% of the 100 bookers were students and/or under the age of 30.

The Blue Badge Bunch: The Disability Taskmaster for Families

A new interactive game show Blue Badge Bunch is a family friendly game show offering audiences the experience of understanding what it is like to have different disabilities through interactive games. The “disability Taskmaster” is hosted by comedian Benny Shakes, with co-hosts Kate Lovelock and Mark Nicholas, plus star guests. The company visited MAC on tour had some great feedback on the day for programming another inclusive event where disabled artist, producer and families are highly visible.

“Just wanted to say thanks to MAC for having this show it means a lot for a family like ours to feel included and to have some fun together”

Cinema

969 screenings
30,195 tickets sold
£241,478 income

Expanding the Frame (2023-2026)

Midlands Arts Centre have announced a three-year project supported by Film Hub Midlands entitled Expanding the Frame. The initiative seeks to significantly improve access to cinema for disabled audiences in the West Midlands. With Film Hub Midlands’ support, MAC will pilot new programmes and events, ensuring that disabled people with long-standing physical and/or mental conditions and those identifying as D/deaf or neurodivergent can experience film in an accessible environment.

In the first year, Expanding the Frame rapidly increased the number of screenings featuring Closed Captions and Audio Description across MAC’s programme, as well as launching a new monthly sensory screening in conjunction with the team behind MAC’s popular Colour Box family screenings. A season of films looked at how disabled people have been portrayed on screen, put together by Conor O’Donovan, a guest programmer with lived experience of disability who is keen to get audiences to think beyond the usual tropes. This partnership will enable us to literally double the amount of accessible screenings we already do to open up our exciting cinema programme to more audiences.

“It’s a season of film that aims to show disabled people are just that – people. I hope the collection informs, enlightens and ultimately entertains to show the colourful and wild lives disabled people have. Just like any person.” Conor O’Donovan, Guest Programmer

Special guests at MAC

A visit from legendary director Ken Loach, who kindly agreed to do an additional Q&A screening when the RAAC concrete in the theatre meant we had to make some changes to the initial screening. His latest film *The Old Oak* was also a big hit with our audiences outside of the Q&A screenings. Another special guest joined us in September – BAFTA winning actor Stephen Graham, who talked about his new BBC series *Boiling Point*, which is the kind of event we could probably have sold another 300 tickets for, such was the demand for seats.

Square Eyes TV Festival – November 2023

Popular festival returned with guest Q&As from the likes of acclaimed playwright and *Succession* writer Lucy Prebble and *Father Ted* co-creator Arthur Matthews, plus director Carol Morley who joined us to talk about her excellent new film *Typist Artist Pirate King*.

Elsewhere, we also worked with both the Screening Rights Film Festival and the Caribbean International Film Festival, screening a number of shorts and features that would otherwise not receive much attention in terms of Midlands exhibition. We hadn't featured the latter in our programme before, but the sheer breadth of films on offer and the stellar organisation of festival head Denyce Blackman means we will most certainly be welcoming them back in 2024.

Learning and Participation

It has been an eventful year within the Learning and Participation department, with a healthy 5% increase in paid for participations. The programme expanded due to demand for day and weekend courses and a new Head of Learning and Participation was recruited. In October 2023 RAAC was identified in two well-used studios, technicians worked hard to readapt the rooms so they could continue to be operational.

Below some wonderful feedback from participants.

"Midlands Arts Centre is a fantastic resource for the community, providing the opportunity to explore all sorts of media without having to enrol in a formal art course. Long may it prosper!"
– adult on textiles course

"Come and enter a world where clay gets transformed. I love it and have been doing so on courses at MAC for over 20 years." adult on Figurative Sculpture

"It was so amazing that there are no words to describe it!" child on Create a Creature Camp

"Brilliant day, learnt lots of new things!" teenager on DJ School course

"Having always believed I was no good at art, this course opened my mind to what 'good' is. And also reminded me of the joy of creating, just because I can." adult learner from adults Drawing and Painting course

We delivered on the following:

- 5,100 people took part in a term-time and adult short course
- 62 Artist Tutors delivered 725 courses.
- 722 people took part in a children, family and young person's course
- Totalling a massive 46,530 participations in an L&P Course (up nearly 3,000 on last year!)
- 18 Life Models
- Recent additions to the course programme in 2023/34 included Introduction to Studio Recording and Introduction to Digital Music and Music Production which both sold well demonstrating the increased interest in digital courses. An additional Oil Painting course was added to meet demand for this popular medium.
- We consolidated our wellbeing courses in response to reduced demand allowing us to focus on creative courses.
- Adult Short Courses and Children's Holiday Course continue to sell well, consistently delivering above forecast sales.
- Our digital engagement programmes Girls that Geek and Little Geeks delivered 8 days of activity with just over 2,100 children and young people collectively taking part.
- The team delivered two exhibitions 'Digital Zines' showcasing the work of young people on the Apple Reframed Project, and Celebrating Ceramics, displaying around 60 pieces from students and tutors.
- The Apple Reframed Project delivered 28 creative digital skills workshops with 7 Birmingham schools. Each school created a collaborative multi-media zine, with themes of climate emergency, using Apple iPad and software.

Community Programmes

Neighbourhood Forum

We established a new advisory group of local community researchers who were successfully recruited to carry out research in communities, that led us to learn more about our neighbours' perceptions, experiences of and hopes for MAC. Their input was broad involving feedback to our communications plans and new website, organising community events and promoting our work with younger people. Our aim is that their recommendations inform us strategically about the ways in which we can work more successfully and sensitively to those living around our building who may not ordinarily visit us and to understand their interests and what would make us a compelling part of their lives.

Aims going forward:

Ongoing consultation and collaboration: The Forum will meet regularly as consultants for MAC to help us collaborate with, and ensure our programme and facilities are relevant and accessible to, our local communities.

Outreach: We will continue to build mutual relationships with local communities and organisations, this could include but is not limited to tours/ open days, offering work experience or volunteering, recruitment opportunities.

Communications: We will develop targeted and accessible communications to help raise local awareness about and confidence in what MAC offers. Diverse and inclusive programming and facilities: This will continue to be a priority for MAC. We will seek to better promote our existing programme (including free activities) and accessible facilities, as well as developing new initiatives (e.g. creating a faith room, Iftar event in 2024).

Iftar Event

On 15 March, we were honoured to host our first Iftar, sharing food, prayer, and joy with over 120 members of our local community during the Muslim holy month of Ramadan.

We are grateful to Birmingham artist Hira Butt, who led a creative activity of conversation starters throughout the evening, and to Ahmed Said from Student's House Mosque, Balsall Heath, for leading the call to congregational prayer. MAC teamed up with local business Roti & Curry Bazaar, Alum Rock, for a special Iftar menu served in KILN.

"As a Trustee at MAC, I am so proud that MAC's first ever community Iftaar epitomised what we endeavour to represent: the diversity of our vibrant city. The event brought our local communities together to share and celebrate the Muslim holy month of Ramadan, through art, culture, faith and food." – Dr Haseena Lockhat, Trustee of MAC

With events was managed by MAC Neighbours, a group of community researchers helping MAC to understand the positive changes we can make to ensure MAC is a place where everyone feels they belong and can contribute. We have already set dates for two Iftaar events in March 2025, one that will welcome families and children and a second that will focus the event on networking for professionals across the city to share in their faith.

Restore

We continue to build our relationship with Birmingham-based refugee befriending charity Restore through the year we have hosted visits from their women's, men's and family groups, and are currently inviting members of their men's group to work with our gardener on the design and renovation of the outdoor terrace garden. In July we offered Restore and In Her Shoes (local singing project with refugee women) complimentary tickets an Arabic-language children's animation as part of our Safar Film Festival for some attendees it was the first time they had ever been to the cinema.

Culture Club

"The workshop was the best I've been to. Lovely presenter & the Diyas [Diwali lamps] were so beautiful to start with. Loved decorating it and the loved the introduction & the hand & face movement." Culture Club attendee, November 2023

Culture Club, our monthly art club for over-65s, has had well-attended and popular sessions this season, including a talk by Rosie Slay from Elan Links about Watershed in September; a succulent-planting workshop with Pauline Farrar in October and a Diya (Diwali-lamp) painting workshop with Jaya Khazaei in November. The group nurtures skill-based learning often focused on their love of craft-making and music. We're delighted to have new attendees from Anchor care homes who attend with carers, enabling us to welcome guests with greater support needs. This programme is a brilliant opportunity to invite younger local artist and musicians. We are excited to be collaborating with Art, Design and Creative Technology students at Birmingham City University, who will be designing and delivering some imaginative workshops for Culture Club in the new year as part of their course. A number of the students have also started volunteering for Culture Club.

BEDLAM

We continue to hold weekly artistic workshops for this group, which continues to have a significant impact as a safe space for connection and creativity for women who are struggling with their mental health. The programme culminated in the BEDLAM showcase that featured sharing, performances and workshops. BEDLAM is an arts and mental health programme by MAC, The Rep, Sampad and Red Earth Collective, funded and run by Birmingham and Solihull Mental Health Foundation Trust. The BEDLAM exhibition opened in MAC's community gallery in spring, showcasing creative work produced during workshops with people on mental health journeys, including work by MAC's creative wellbeing for women group, led by artist Amelia Hawk.

MAC Makes Music

The total of children and young people reached in the year was 926. 64% of participants had a special educational need (SEN) and 75% identified as having a social emotional or mental health (SEMH) difficulty. List of reasons our participants identified as barriers to accessing arts and music (gathered through sign up data): asylum seekers, attends PRU, d/Deaf, experienced economic deprivation, English as an additional language, excluded from school, at risk of offending, ill health, LGBTQ+, looked after/experience of the care system, mental ill-health, partially sighted, physically disabled, refugee, rurally isolated, sensory impairment, SEN, young carer, young offenders.

- MAC employed – 28 freelance musicians
- Of which, 6 were supported, emerging music leader positions for young people aged 18-25.
- 14% of MMM practitioners identify as disabled
- 43% of MMM practitioners identify as neurodiverse
- 25% of MMM practitioners are from the global majority

We delivered peer sharing sessions to upskill staff in the following areas: working in alternate provision, working in youth justice settings, working with early years, safeguarding and inclusion. We have worked with 51 partners this year, and an additional 32 wider/collaborative network organisations. Of our partners, we have worked with 10 Music Services (MEHs), 5 grass-roots community partners, 3 Youth Justice Services and 4 HE Institutions. We have worked in 9 SEN or alternate provision education settings across the West Midlands.

- Delivered over 360 music sessions across the West Midlands. 70 of which were based out of MAC, 42 of which utilised the new accessible recording studio.
- Expanded the reach of the Youth Justice work in Solihull – reaching 22 young people through 1:1 sessions. Hosted Birmingham Children's Trust at MAC to reach a further 8 young people during this time. Secured funding to expand this work to Sandwell.
- Community Music Day delivered in conjunction with Misfits Music and featuring Quench Arts, Coventry Music and In Her Shoes for 22 young artists.
- 100% of our respondents have said the quality of sessions are 'good' or 'great'
- All school/PRU contracts were renewed, despite financial constraints, due to the perceived value from staff/pupils.
- 95% of participants in our Community Music Discovery Day said the experience had given them the confidence to apply for roles in this field.

"This opportunity changed A's life – I can't put into words how much happier he seems and more confident he is. He has a new interest and hobby and is making friends. When can we come again?!" – parent of participant

"I just wanna make music and make friends. I love to come here and do that." R, aged 12, participant in SWITCH.

"I would give today 6 thumbs up out of 5 because it had all my favourite things in it! Making music and having fun!" X, aged 9, a Dynamic Sounds participant

"This programme turned his life around. From being one of the worst things that has happened to us as parents, we've seen that accessing the music programme as a result has set his life on a better, happier path." R's dad, commenting on his time with the Solihull Youth Justice programme.

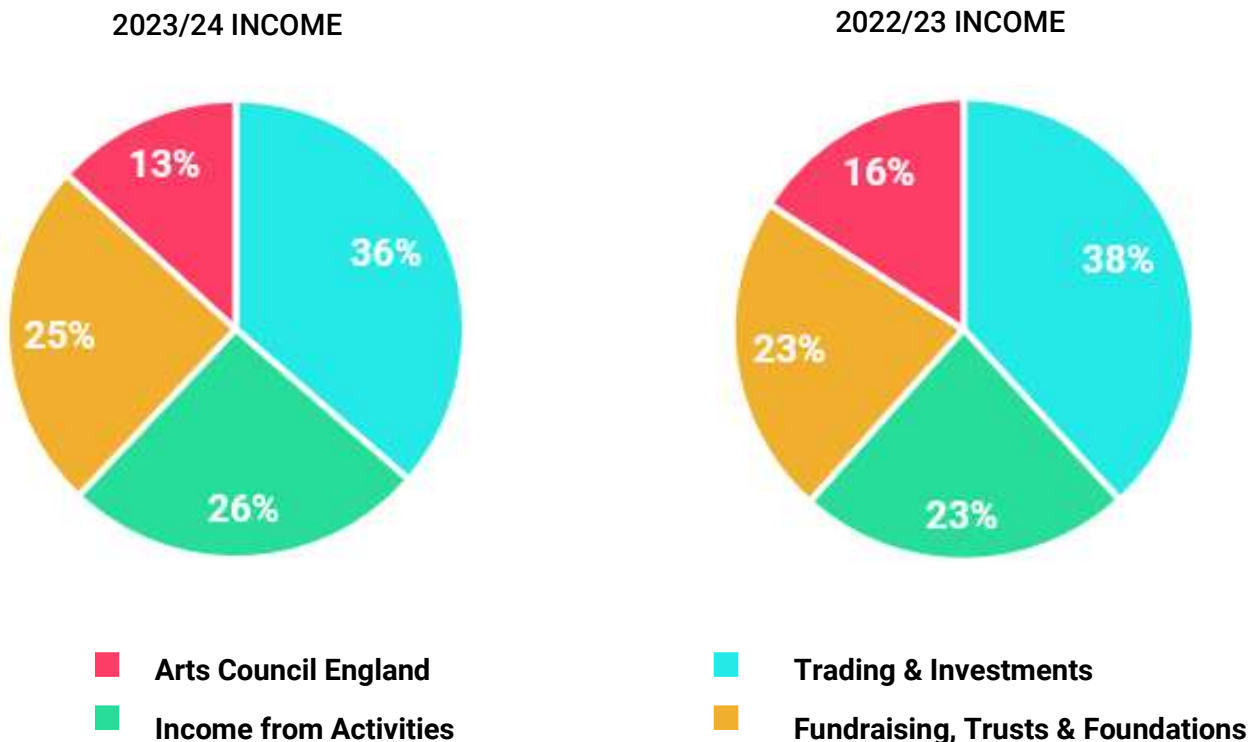
Birmingham Public Health & MAC

In March 2024, we secured a new exciting post, in partnership with BCC's Public Health Team (led by Justin Varney, Director Public Health), of 'Public Health Researcher' at MAC whose role it will be to explore the benefits of active, creative participation in arts and culture in reducing modern health inequalities in the city. This role will support BCC's ambition to become a 'Bolder Healthier City' with a new review to take place in 2030 when findings from this post and three other researchers based across the city investigating how culture can be as a key driver to tackle health issues. The role began in May 2024 and is fully funded until March 2026.

How We Funded Our Activities

MAC's activities are funded by the generous support we receive from Arts Council England and Players of the People's Postcode Lottery and many other trusts and foundations, by individual donors and a commercial agreement with Birmingham City Council; by our customers through the tickets they buy; by the users of our café, bar and retail outlet; and by those who hire our facilities for their events.

Of our total income, 62% is raised through our own arts and trading activities.



Looking at each major source of funds in turn:

Fundraising, Trusts, and Foundations

MAC is committed to fundraising best practice and abides by the Fundraising Regulator's key principles: to be legal, open, honest, and respectful. MAC is registered with the Fundraising Regulator and no complaints have been received to date. As well as our established major stakeholders, a diverse range of regional and national funders generously supported projects, exhibitions, and events across the organisation. This year, we continued to nurture meaningful relationships with regional and national trusts and foundations, welcomed new supporters, and developed campaigns to educate and inspire our audiences and visitors. People of all ages and abilities proudly support MAC, and our fundraising promise to audiences and visitors means that we always treat people fairly, never place anyone under undue pressure to give, or take advantage of someone's lack of knowledge/need for care.

The practical steps we take, but are not limited to, include:

1. Making our fundraising materials clear and accessible.
2. Being alert to the signs that someone is confused or vulnerable and not accepting a donation from someone who lacks capacity to make a decision to donate.
3. Avoid persistent asks or pressuring for a donation if someone is indicating they do not wish to engage.
4. All MAC marketing material contains clear instructions on how a person can be removed from mailing lists.
5. Taking into account any additional needs a person has to enable them to make an informed decision.
6. Ensuring the relationship between supporters and prospects is safe and fundraising is fair is vital to our charity. Any Safeguarding incidents would be identified and reported using MAC's Safeguarding Policy.

Major Stakeholders

Arts Council England

MAC is a National Portfolio Organisation (NPO) within the funding programmes of Arts Council England (ACE). The new agreement started on 1st April 2023 until March 2026, with the possibility of a one-year extension until March 2027. Our annual grant is set at £752,746 (this represents a standstill figure since 2008).

Players of the People's Postcode Lottery (PPL)

The support from the Players of the People's Postcode Lottery, Postcode Culture Trust, enables MAC's inclusive and diverse art, community, and participation programme to thrive. In 2023-24 MAC's grant of £750,000 directly supported exhibitions, performances, and workshops across the centre. In 2024-25 MAC will receive an increased grant of £800,000 from the Postcode Culture Trust and we are incredibly grateful to the staff and Players of the People's Postcode Lottery for their continued and transformational support.

Birmingham City Council (BCC)

We do not receive any grant or investment from the culture or arts department of the local authority. We have a formal agreement until 2028 with BCC to share income derived from Cannon Hill car parking fees after the deduction of capital and operating costs.

Trusts & Foundations

Notable gifts and grants include:

Expanding the Frame

Expanding the Frame is a three-year project supported by Film Hub Midlands with a grant of £60,000. The programme seeks to significantly improve access to cinema for disabled audiences in the West Midlands.

All Of Us

MAC successfully secured a grant of £32,535 from Art Fund towards a vital workforce development project, All Of Us. With this grant we will invest in training, toolkits, and recruitment process to increase and retain the number of staff at MAC who identify as Disabled.

Lighting Up MAC

A grant of £17,362 from The Theatres Trust x Wolfson Foundation was used to update front of house lighting to LED. This vital upgrade increases MAC's energy efficiency and reduces our utility costs.

Corporate Support

Eversheds Sutherland LLP

2023-24 was the final year of a three-year partnership to enhance MAC's vital learning and community programme. MAC is pleased to confirm that from 2024-25 Eversheds Sutherland will remain a headline sponsor.

Corkfield x Edgbaston Cricket

In 2023, we worked closely with our neighbours – the brand new apartments, Corkfield, and Edgbaston Cricket to present the iconic outdoor installation, Pollution Pods by artist Michael Pinsky.

Individual Giving

In 2023-24, generous audience and visitor donations totalled £35,912.

Income from Activities (Ticketing)

Our pricing policy (introduced in 2019) continued to reflect our strategy of enabling all within our community, whatever their means, to take part in our activities, to participate in learning activities and attend our events. All our exhibitions are free entry, however more recently we have introduced a new method of pay-what-you-can for Grayson's Art Club: The Exhibition. Although we raised substantial income, we are aware that cost is a barrier to preventing some lower income audiences from attending. We will consider charging a minimal ticket entrance (average £6) for some 'blockbuster' exhibitions in the future but will manage this very carefully with access to opportunities.

Overall, full ticket prices to our live performances and cinema/live event screenings ranged from £7.50 to £22 (or up to £30 for high-profile events). To improve access and to reward MAC's loyal/early bookers, we continued to honour our commitment to making at least 10% of all our tickets available for £10 or less, with additional concessions for under 16s and complimentary tickets for companions/carers.

Tickets for MAC's learning and participation programme continued to span a broad range of options, from £30-£200, according to the length and nature of the course. We offered a 'Save-A-Space Scheme' that allows customers to pay for their tickets in instalments to make it more convenient for budgeting. We also offered free, high-quality learning activities for children, young people and families in our public and learning spaces. We continue to fundraise to help make our activities affordable and within the reach of those most in need.

Trading Activities

Our trading activities include our onsite catering (the café KILN, express tills and bar), together with our events hire business and retail activities. In 2023/24 MAC's trading operations contributed around £625,000 to the Charity by means of a management charge and gift aided profit, stronger than originally expected and achieved despite the challenges of the cost-of-living crisis and inflationary pressures on supply costs.

We saw an increase in footfall from a popular artistic programme and more casual users from Cannon Hill Park. In addition, there were retail sales of Grayson Perry exhibition items and a special catering offer of afternoon teas. Events Hire has long been an important source of earned income, promoting the distinction of our artistic programme and venue as a unique setting. It has bounced back quickly post pandemic and also contributes to catering incomes. As we move forward into we will continue to maximise creative, social and income generation opportunities throughout the premises and café space with greater strategic push. There will be in the future a greater emphasis on pursuing cross department opportunities with ticket sales (post conference shows) and evening catering.

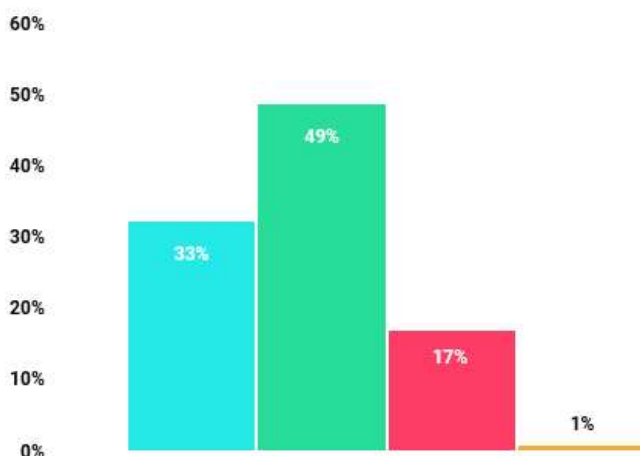
How We Spent Our Money

The largest block of expenditure (49%) is on arts activities. 54% of this expenditure is salary costs. There is information about how these resources are spent on areas such as Learning and Participation, Community Programmes and MAC Makes Music in the sections earlier in the report.

33% of the expenditure is attributable to Trading activities, 43% of this is salary costs (see Trading Activities note).

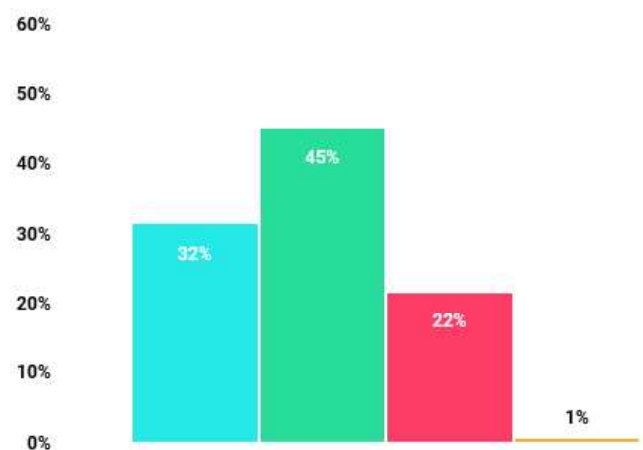
We invested Capital funds in a new website to improve users access to our site as well as investment in building work in light of the RAAC discovered on site.

2023/24 EXPENDITURE



Support Costs
Arts Activities

2022/23 EXPENDITURE



Trading
Governance

The Impact We Have Had

Achievement of Public Benefit

As a charity, the Trustees recognise their legal duty to report on MAC's public benefit in their Annual Report, as part of a requirement given particular emphasis by the Charities Act 2011 to clearly demonstrate that the Objects of the Charity are for the public benefit. In this context, the Trustees accept that being a registered charity is a privilege, not a right. In setting out in this Annual Report how the Charity currently meets this requirement and is reflected in its future plans, the Trustees assert that the Charity is compliant with the requirements of the Charities Act 2011; having due regard for the public benefit guidance published by the Charity Commission.

MAC's benefit to the public is wide-reaching. Our services ensure the public have a positive and active relationship to art and that there is a robust participation model in place that encourages collaboration and skill-based learning throughout our work. Moreover, we support artists through training and paid employment to participate with communities in a way that feels relevant to their everyday lives.

In reviewing its objectives and planning its activities, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging. The Board of MAC and its staff have continued to hold its business plan under review, honing future plans in the light of operational experience, future public investment prospects and the strategic context for its future activities.

MAC relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges, tickets prices and concessions, the Board gives very careful consideration to the accessibility of the centre for those on low income and those with needs and consults with a range of Birmingham residents, visitors and customers as to the affordability of its services. Ticket policies are available on the website.

MAC's venue continues to enable an increasingly wide range of arts, learning and participation activities and provides a base for substantial outreach activities through touring and community engagement, especially in communities with little access to arts participation. These activities are designed to meet the interests of all, and embrace specific strands for children, young people, families and people with disabilities. MAC places a firm emphasis on equality of access and the celebration of intercultural activities in a youthful and diverse city.

MAC continues to welcome an explicit reporting of public benefit and how it is aligned with the Objects of the Charity, and gives expression to the accomplishment of public benefit throughout this Annual Report and especially when reporting below on its performance against objectives and other achievements.

MAC identifies the most significant benefits to the public that arise from its objects are too:

- Provide opportunities for the enjoyment of culture, offering a wide variety of activities for the general public (over 900,000 visits in 2023) to support the special significance and impact that the arts has on people's lives.
- Provide a range of informal learning programmes and resources for adults, families, children and young people to participate with professional artists and learn more about arts and culture (50,000 participations in learning at MAC in 2023).

- Maintain all-year-round public access to MAC's building, open freely for visitors to attend from 9am to 10pm daily.
- Ensure that MAC's services, activities and building are inclusive and accessible for the benefit of all visitors particularly those with disabilities.
- Provide paid employment opportunities for a diverse and skilled workforce of c.220, in addition volunteering and work experience, currently for 25 people.
- Actively strengthen the cultural life of Birmingham and champion its rich identity, to supporting social, community cohesion and sense of place.

Communications & Digital Engagement

We continue to experience high levels of engagement with MAC through our social media and other communications channels while consistently monitoring the external environment to evolve our delivery and practices in line with emerging trends, themes and audience behaviours. Particular highlights include:

- We had 1,057 articles/items of press coverage with an advertising value equivalent of £4.6 million and a PR value of £11.5 million
- We produced 191 e-newsletters covering performances, cinema, exhibitions, family and special event highlights
- We have 19.5k Instagram followers, 25k Facebook followers, 83.5k followers on X (Twitter) and 140k+ views on our YouTube channel. We have been posting more frequently on TikTok (video views 3,159 / reached audience 2,306) whenever capacity allows and we will focus on growing on these followers in the next reporting period.

MAC's new website launched successfully in January 2024 with:

- A seamless technical transition
- A new Cookies notice in line with best practice data protection
- A clean and clear visual look along with improved functionality and mobile-friendly considerations
- Improved access features (e.g. allowing us to standardise our Alt image descriptions), including a dedicated listings feed for MAC's accessible performances and screening, filterable by access type
- A significant content overhaul - streamlined the site for easier access and improved user experience, brought language and terminology up-to-date e.g. plain English, appropriate disability terminology
- Improved eco-credentials – we prioritised sustainability in our brief and the new website has a carbon rating of C (up two levels from E on the old site) and is cleaner than 57% of all websites globally. Additionally our website company Supercool has planted 12 trees on behalf of MAC via the Trees For Cities initiative to counteract the carbon output during the website build

We are continuing to build on the launch of the website during the reporting period as the initial post go-live snagging phase concludes with a focus on:

- Opening up accessible bookings online functionality (July 2024)
- A full programme of user testing to include representatives from Midlands Mencap, family bookers, MAC Culture Club, MAC Neighbours, the national Sight Loss Council

Environmental Impact

Rooted in our local economy and communities, we are committed to ensuring our work has a minimal impact on the environment and actively promotes sustainable ways of working.

Our Green Champions group are staff volunteers who meet regularly to discuss how to make MAC more sustainable. Throughout the year our Green Champions delivered against our Environmental Policy and Action Plan achieving the following key highlights:

- We have continued with our programme of replacing inefficient lighting with LED; in March 2024 we replaced 100 fittings across MAC's foyer areas which is estimated to save 20,000 kWh per year.
- MAC is a member of Sustainability West Midlands and hosted their AGM in December 2023. We have active membership of the Gallery Climate Coalition and continue to chair arts sustainability network Sustainable Arts West Midlands.
- MAC's website has been redesigned and its carbon impact has reduced significantly. The sustainability pages were improved and MAC's communication with audiences was highlighted as best practice in a recent presentation by Indigo.
- MAC's catering offer included completely vegan specials menus in September and January, with vegetarian and vegan roasts available on Sundays. Our takeaway cups are now recyclable and compostable, and we encourage customers to bring their own cups with a 25p discount available.
- Our active Green Champions group has members from throughout the organisation, from more junior members of staff to board level. Green Champions Highlights are included in the monthly staff newsletter.
- Programme highlights included our Art, Nature and Wellbeing season which featured Michael Pinsky's Pollution Pods and MAC's Big Green Weekender.
- On sustainable travel we negotiated a 25% discount on bus travel for MAC bookers, and marked Bike Week with rides around Cannon Hill Park with staff.

Our Plans for Next Year – 2024/25

During this year we are preparing MAC's new 3-year Strategic Plan, that will provide a robust, and ambitious strategic framework that will outline our priorities between April 2025 to March 2028. We will consult with colleagues, Board members, stakeholders and artists to ensure that the ideas and interests of the benefices and users of MAC services are at the forefront of our work. It will cover opportunities for growth, capital priorities, audience development plans and workforce resource and training.

One of our immediate challenges facing us is the completion of capital work related to the RAAC in the roofs of our main theatre and two of our art studios. This is a major undertaking with a substantial fundraising target, however we can continue to operate two of the spaces with temporary netting solutions whilst this is not ideal it is working sufficiently well until we can complete the capital works. We are liaising with stakeholders and funders to put in place a future plan to complete the capital works.

Artistically, we have two prestigious national exhibitions touring to MAC from Hayward Touring, *Acts of Creation: Motherhood and Art* and later in October a partnership with The Design Museum, London, *Waste Age: What Can Design Do?* These exhibitions secure MAC's reputation for presenting the highest quality art in the region and reinforces our strategic aims namely - championing the environment, women's voice and South Asian culture.

In May 2025 we are collaborating with international partners Serendipity Festival from Goa, to present work from India, this will be followed in the summer with an exhibition showcasing the history and fashion of the sari, in *The Offbeat Sari* again in collaboration with The Design Museum, London.

Whilst we keenly promote the talents of our local community, we also are proud of new high-profile relationships nationally with Southbank Centre and Apple as part of the REFRAME project to which MAC is a key partner working with seven local schools to support young people through innovative digital opportunities.

Going forward championing disability is a major focus of our work in the forthcoming years, in relation to recruitment of our workforce, artistic programme and capital development. In respect to 2023/24 we have successfully secured notable grants, these include: Art Fund Reimagine: £35,500 for workforce development, DASH: Disabled curator £35,000 and BFI: £60,000 for audience engagement. Alongside this a new post of Public Health Researcher paid for by BCC (£30,000) will also be based at MAC and sit within the arts team, with a focus on highlighting the positive benefit of creativity on mental health and wellbeing.

Our People and Organisation

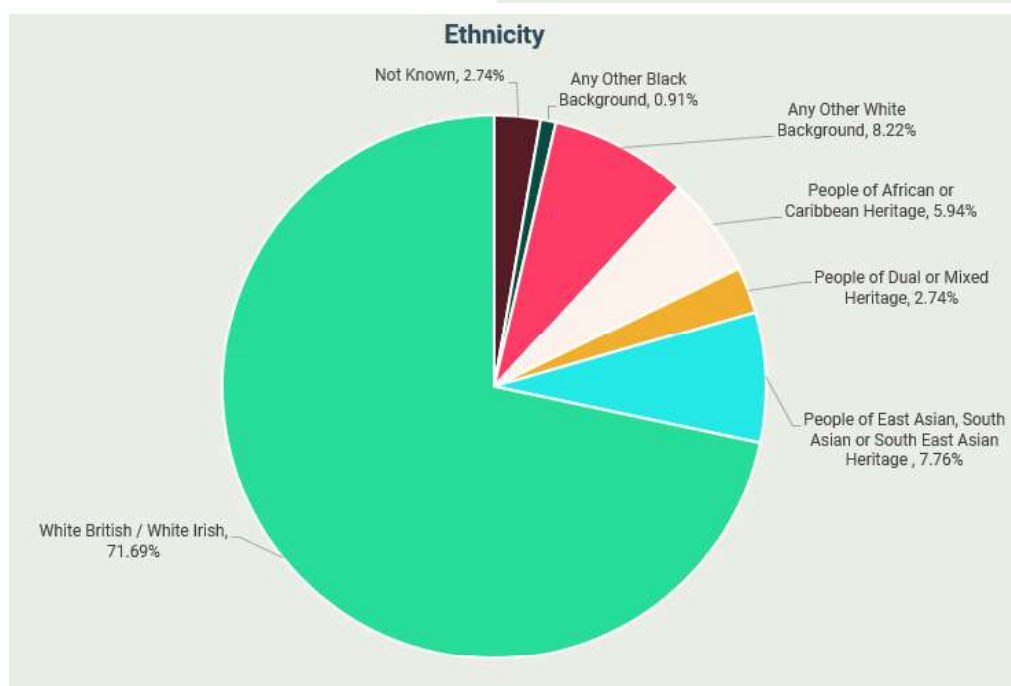
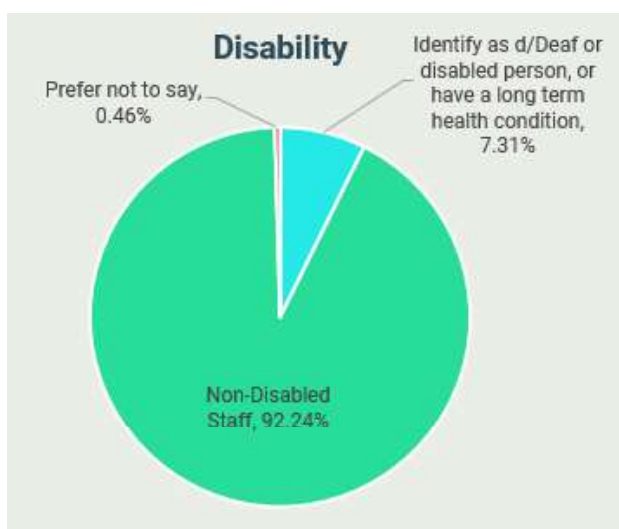
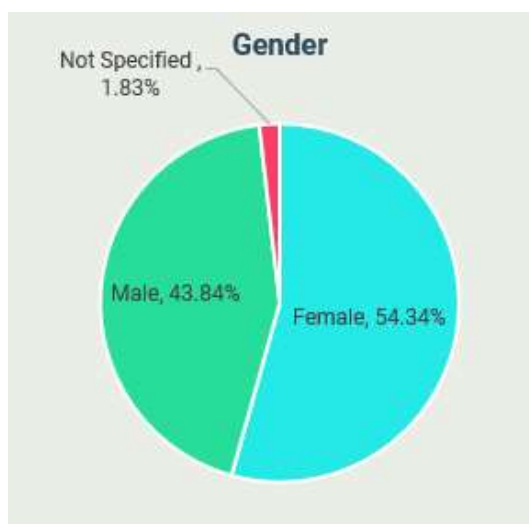
MAC's staff are our most valuable asset and the key means by which we can achieve our objectives. We employ a diverse range of people across the organisation to help us successfully deliver all aspects of our work, and to ensure that we meet the needs and interests of the communities that we serve.

Equality, Diversity and Inclusion

MAC is an equal opportunity employer and actively supports human rights and all equality legislation. At the heart of our approach is a commitment to valuing diversity, treating people with dignity and respect, eliminating discrimination and promoting social cohesion through our organisation and artistic programme.

We respect and value people's differences in order to help everyone achieve more at work as well as in their personal lives so that they feel proud of the part they play in our success.

The following key statistics show the make-up of our workforce as of 31 March 2024:



In 2023/24 we started a critical new project All Of Us, funded by Art Fund, which will help us to improve how we hire and support d/Disabled and neurodivergent people across all our teams at MAC, as well as looking at how we can help to support colleagues who look after family and friends who could not cope alone and are considered carers. This project will commit resources to auditing MAC's internal practices, reviewing policies and procedures and producing easy to use staff toolkits and advice as well as delivering training across the organisation. Our ambition is to increase representation of disabled people within the workforce to at least 14% after 4 years and this project will give us a clear action plan to help the organisation achieve this.

MAC is a level 2 Disability Confident employer and we continue to regularly review our recruitment practices to ensure they are fair and accessible. Our All Of Us project will help us to continue working towards an action plan to become a Disability Confident Leader (Level 3).

Staff Wellbeing

MAC understands the positive impact that healthy and engaged employees make to the success of the organisation and have pledged to provide ongoing support and help for employees experiencing mental health concerns. In support of our aim for a healthy and engaged workforce MAC has:

- Implemented a Wellbeing and Mental Health at Work policy to raise awareness and encourage staff to be proactive in support of their wellbeing.
- An open door policy to encourage employees to raise any concerns about their health with the line manager or other member of the management team.
- Carried out mental health awareness training for managers.
- Trained several members of staff in mental health first aid.
- Provided access to an employee assistance programme where employees may discuss any concerns they have with trained counsellors.

MAC's HR Committee regularly receive reports on staff health and wellbeing and monitor this at Board level.

Remuneration Policy

The Board of Trustees has overall responsibility for MAC's pay policy and for the salaries of executive directors. The HR Committee oversee the annual inflationary pay review process within the budget agreed by the Board. Our policy is to pay rates which are competitive - recognising the difference between charitable and trading activity, we compare the salaries we offer against charitable and commercial sectors as appropriate and undertake regular benchmarking exercises.

Safeguarding

At MAC safeguarding does not just apply to those we support through our activities, but to our staff and volunteers as well and this is reflected in the range of safeguarding issues that we provide support with. Our safeguarding policy is owned and agreed by our Board of Trustees and safeguarding is a fundamental part of MAC's work. We audit our safeguarding work and seek continuous development of our safeguarding approaches.

The Future

We continue our work towards paying the Living Wage and in 2024/25 will undertake a review of our pay structure with support from specialist consultants to ensure that it remains fit for purpose and that roles are aligned with regards to the skills and knowledge required from them. This work will help us to remain competitive as an employer and ensure that we are adequately remunerating our employees for their work.

Staff Wellbeing is a critical focus in 2024/25 and we will introduce a staff wellbeing strategy and commit resources to providing support for employees to discuss their wellbeing, opportunities for them to engage in wellbeing initiatives and the introduction of staff wellbeing champions who will be trained in mental health first aid.

Work will continue on our All Of Us project, collating feedback from employees and key stakeholders and specialists to produce an action plan with clear timeframes against it enabling us to increase representation of disabled people within the workforce to at least 14% in the next 4 years.

Financial Review

Despite the disruption caused by the discovery of RAAC, MAC's year has been a successful one.

Total income stayed stable at £5.7m, despite interruptions to arts activities and the trading operation. Arts activities increased by 10% from £1.3m to £1.5m, and Trading operations stayed stable at £2m.

There is an overall surplus in the year of £53,969 (2023: deficit £204,302). Further information on MAC's cost based can be found in 'How We Spent Our Money'.

A total of £98k was spent in 2023/24 on capital expenditure, including £53k on a new website.

Investment Policy

In formulating an investment policy, MAC has historically recognised that whilst it may have surplus funds to invest, these are likely to be called upon in the short to medium term. The policy has to date been to hold investments in liquid funds, so they are available to meet predicted cash-flow needs. In selecting suitable cash deposits, the policy is to maximise the return and maintain low transaction costs, whilst ensuring high levels of capital security by minimising credit risk and minimising interest rate risk.

Deposits and interest rates are reviewed regularly by the Finance and Governance Sub-Committee. As a result of this review, it was decided to investigate a more sophisticated approach to managing MAC's surplus funds. During 2023/24, a Flagstone cash management platform was set up and, to date, £1.4m has been invested in a variety of short to medium term investments. The Finance and Governance Committee approves investment choices, with criteria that no investments are made longer than 12 months, and the banks/investment choices are set as a- rating or above, and no more than £85k is to be invested in each fund.

A mix of instant to 12 month investments were chosen, across 17 investments, with circa £16k accrued in interest at the year-end which will materialise when the investments mature. All investments chosen earn 5% or more interest depending on the term of the investment.

Reserves Policy

The reserves of the charity are divided into restricted funds and unrestricted funds in accordance with charity legislation.

The restricted fund represents money given to MAC for specific capital and project work within the overall aims of the organisation. The funds are analysed between capital and projects, as set out in notes 15 and 16 to the accounts. Grants and donations received for capital purposes are accounted for as restricted funds and depreciation of the underlying fixed assets is charged to these funds over their lifetime. Project funds will usually be spent in full within 5 years. The balance on the long-term capital funds represents funds received from donors towards the MAC/Sampad Building Project and for the purchase of fixed assets, less the depreciation charged on an annual basis. Over time these reserves will reduce to zero as the assets are fully depreciated.

The balance on restricted funds as of 31 March 2024 of £3,717,705 includes a balance of £1,869,401 in respect of the capital redevelopment project and other capital projects and £1,292,983 of grants and donations received in respect of specific arts projects. These grants and donations include sums from a range of supporters towards future commissions, productions, co-productions, exhibitions, and events as part of MAC's longer-range artistic programme.

The MAC sustainability fund now holds £555,321 at year end for the purpose of ensuring the long-term continuation of the charity. This fund is earmarked to support MAC going forwards by underpinning both MAC's operational needs and future capital projects.

Designated Funds

A designated fund was agreed for 2024/25 of £300,000 to ensure the fabric of MAC's building can be maintained in good order for at least the next two years.

Unrestricted Funds

The unrestricted reserves figure (excluding designated funds identified above) of £750,094 has been reviewed by the Trustees. They have determined, on the basis of detailed budget and financial planning through to the end of the 2024/25 financial year that this level is adequate to maintain financial stability. This figure includes fixed assets worth £510,615.

MAC's policy is to hold an amount equivalent to at least two months of budgeted expenditure in unrestricted reserves. This recognises that significant risks remain around cost of goods and services rising and the economic environment. Unrestricted reserves were 2.1 months of budgeted expenditure at the year end.

Going Concern

The Trustees have considered the effect external pressures such as the cost-of-living crisis, salaries and inflation. Having assessed how these factors impact the going concern position, they believe the charity will continue to operate for a period of at least 12 months from the date of signing these accounts. In coming to this opinion, they have taken into account:

- The strong level of funding already confirmed until financial year 2025/26 with key partners; Arts Council England, Players of the People's Postcode Lottery and Youth Music.
- The continued support from major trusts and foundations.
- The strong cash balances and good level of reserves, enough of which are unrestricted and available to absorb short-term deficits, if required.
- The charitable company's business plans and operating basis.

All these factors allow the Trustees to be satisfied that the charitable company remains a going concern, and as such, the financial statements have been prepared on a going concern basis.

Managing Our Risks

We are committed to sustaining a confident and skilled organisation and providing the best possible creative environment in which to develop our work at MAC. We regularly monitor risks to enable the successful delivery of our artistic programme and use a range of self-assessment tools, external evaluation and peer review to help us ensure our work reaches our own high standards, supporting excellence whilst ensuring the widest possible participation and engagement.

MAC's Trustees have overall responsibility for the management of risk within the organisation and regularly assess the risks to which we may be exposed. A risk register identifies those risks and assigns specific actions and responsibilities for mitigating them. The risk management process is ongoing and is regularly updated by the senior management team and reviewed by Trustees. The Trustees maintain a watchful eye on financial, reputational and operational risks, efficiency, streamlining operations, processes and practices, to achieve the best and fairest use of our financial and human resources.

The internal systems are designed to meet MAC's particular needs and the risks to which we are exposed, to manage those risks and to provide reasonable assurance that mitigation plans are realistic and likely to be effective going forward. The Finance & Governance Sub-Committee advises Trustees on budgetary controls, recommends steps to ensure financial viability of the organisation, monitoring the receipt of income for both revenue and capital expenditure.

The following are currently deemed the top risks for the organisation

Risk	Mitigation and Actions
FINANCIAL	
Inflationary increases to government minimum wage adding pressure to MAC's salary bill, eroding differentials and reducing ability to offer competitive salaries across the payscale.	Salaries are under regular review by the HR Sub Committee and built into budget planning processes approved by the Board. Regular benchmarking to ensure salaries are competitive. Long term planning includes a full review of MAC's payscale with specialist support from consultants.
Cost Of Living Crisis: growing inflation and the cost of living crisis will affect the Trading offer (ability to buy raw materials) and customer spend (across arts and trading). Fuel costs increased and may not be able to reduce consumption to mitigate.	Remain vigilant to changes in the market, strong cost control on produce, good relationships with suppliers, willingness to adapt the menu, survey audiences, regular financial monitoring e.g. to understand audience spend. Building management system used to analyse and look for areas where energy reduction can be implemented. Change of lighting to LED and more control over use of air handling in gallery to reduce energy consumption.
Inability to meet fundraising target for RAAC roof replacement resulting in work being delayed / not able to take place. Increased risk of roof failing over time if work does not take place as planned. Loss of income against budget if roof failure happens due to need to cancel planned programme.	Mitigation works in place with supporting structures to prevent accident/injury from roof failure. Supports inspected quarterly by specialist structural engineers. Programme moved to alternative locations and/or rescheduled within same financial year should cancellation occur. Programme contracts renegotiated to reflect new capacities.

Governance, Reference and Administrative Information

Midlands Arts Centre is a registered charity constituted as a company limited by guarantee (registered charity number 528979 and registered company number 00718349).

MAC is governed by a Memorandum and Articles of Association which sets out its charitable object:

the promotion of, education in, and appreciation of, the arts.

MAC's mission is to promote innovative, creative arts activities in ways which help to establish them as an important part of people's lives. MAC's principal objectives are to encourage as many people as possible to:

- explore, examine and enjoy the arts activities of others; and
- participate in, and undertake, their own arts activities.

Governance Priorities

During 2023-24 we focused on the following areas:

- Recruitment of a new Chair for the Board
- A fresh, more diverse recruitment process for attracting new Trustees
- Trustee Skills Assessment and Trustee appraisals

Board of Trustees

Our Board of Trustees, who are also Directors of the Charity for the purposes of the Companies Act, have overall responsibility for the strategy, management, and control of MAC. They are non-executive and unpaid. Our Chief Executive, working with the Executive Team, is responsible for delivering the Board's vision and strategy and for the day-to-day operations. The Board seeks to support the Executive in a culture of mutual confidence and trust.

As of 31 March 2024, the Board was made up of 14 Trustees.

Our Articles allow for between 4 and 15 Trustees. In addition, Birmingham City Council (BCC) may appoint up to 3 members of the Board. Nominees appointed by BCC are subject to their appointment process and the guidelines on appointments to public office as they apply to Local Government nominees.

The Chair and Vice-Chair(s) are elected by the Board from among their number.

All Trustees are required to demonstrate that they meet the skills needed, which are set out in the role profile. Appointments are led by the Nominations Committee which makes recommendations to the Board of Trustees. When recruiting, we consider the diverse skills and experience needed to govern MAC in the long term, ensuring that the Board is fit for purpose and brings a diversity of different interests and experience.

Appointed Trustees are recruited following external advertisement and their skills and competencies are assessed against the role profile. They serve for an initial term of three years and, subject to review and the approval of the Board of Trustees, may serve for two further periods of three years.

Three new Trustees were appointed during 2023-24.

All new Trustees are given an induction programme which is tailored to their needs. It will always include meetings with the Chair, Vice-Chair and Chief Executive; review of current business plans, budgets and recent financial performance; and practical information on policies, meetings and structure. Each new Trustee is assigned a 'Board Buddy': an existing Trustee who can support them in their early stages of development. Individual Trustees have regular appraisals with the Chair of the Board; this enables any training and development needs to be identified and addressed.

The Board of Trustees holds an away day at least once a year which provides further opportunities for Trustee development.

The Trustees have overall approval and oversight of the organisation's strategy, plans and budgets and are regularly kept updated on progress against these.

Indemnity insurance is in place.

Charity Governance Code

MAC supports the principles of the Charity Governance Code and we continue to review our practice against the Code's requirements as part of an approach to continuously improving our governance arrangements. MAC's Governance Review Action Plan details the organisations approach to compliance against each area of the Code and is regularly reviewed by the Board and there are no current areas of concern. A rolling programme of self-assessment, training and development are in place to consistently refresh knowledge of compliance with the Code across the Board.

The Chair leads on the governance review action plan that outlines the Board development and priorities for the forthcoming period. The Chair is supported by the Chairs of the Sub-Committees and deputy Chair of the Board of Trustees.

Board Committees

The MAC Board has established three standing Committees to consider issues in greater depth and to advise the Board. All Committees are accountable to, and report to the Board.

Finance & Governance Sub-Committee

Members: 4 Trustees plus Chair ex officio

Role: To oversee strategic direction of finances and associated activities and to cover issues associated with governance. Any significant delegated decision making is referred to the full Board.

Meetings are held in advance of each Charity Board meeting and attended by CEO, Head of Finance and Director of Governance and HR.

During 2023/24, it particularly focussed on:

- Review of MAC's banking arrangements and implementation of plans for additional controls and security
- Providing guidance and support following the discovery of RAAC in three of MAC's spaces
- Continued development of a draft investment policy and selection of Quilter Cheviot as MAC's investment managers.
- Review of investments made through Flagstone, MAC's cash management platform.
- Transition of the sub-committee chair following retirement of longstanding Trustee Sue Scholes

HR Committee

Members: 3 Trustees plus Chair ex officio

Role: To discuss personnel matters where Trustee level decision is required and input into policies relating to personnel.

Meetings are held when required and attended by the Chief Executive and Director of Governance & HR.

During 2023/24, it particularly focussed on:

- Review of responses and proposed action plan relating to MAC's first Staff Survey.
- Review of MAC's Company Sick Pay policy
- Annual pay award for MAC staff from 1 April 2024 taking into consideration inflation and increase in Government National Minimum/Living Wage.
- Transition of the sub-committee chair following retirement of longstanding Trustee Louise McCathie.

Nominations Committee

Members: Chairs of Boards, deputy chairs and sub-committee chairs.

Role: To oversee Board membership including recruitment, induction, and allocation of additional roles on the Board.

Meetings are held when required and attended by the Chief Executive and Director of Governance & HR.

During 2023/24, it particularly focussed on:

- Trustee recruitment/succession planning with a particular focus on recruitment of Trustees with experience in fundraising.
- Recruitment for a new MAC Chair
- Review and update of recruitment process for MAC Trustees

MAC Trading, our subsidiary company

The Charity's wholly owned subsidiary, Midlands Arts Centre Trading Limited was established to provide catering services, event sales, venue hires and retail activities and operates from the site of its parent company, Midlands Arts Centre.

Directors Mike Williams (Chair)
Claire Daniel (resigned 19 March 2024)
Martin Leppard
Kam Bains

Company Registration Number 03261120

Registered Office Cannon Hill Park
Birmingham
B12 9QH

Trustees and Professional Advisers

The following table illustrates the individuals who have served on the Board of Trustees during 2023/24 and key movements in 2024/25 to the date of this report.

Trustee	Changes	Committee and Other Responsibilities
Cllr Shabina Bano	Resigned 6 Jun 2023	Birmingham City Council representative
Cllr Matt Bennett		Birmingham City Council representative
Gurdip Bhangoo		Safeguarding Lead
Selina Brown	Appointed 26 Jul 2023	
Letha Charles		F&G Committee (Chair)
Stephanie Dale		Environment & sustainability
Owen Dutton		Vice-Chair; Nominations Committee
Daljinder Johal	Resigned 27 Nov 2023	HR Committee; Health & Safety
Linda Jones		HR Committee (Chair)
Sharon Lea	Retired 28 Sep 2023	
Cllr Mary Locke	Appointed 26 Mar 2024	Birmingham City Council representative
Dr Haseena Lockhat		Equality, Diversity & Inclusion
Mary Martin		Chair; Nominations Committee
Louise McCathie	Retired 27 Nov 2023	HR Committee (Chair); Nominations Committee
Neil McGowan		F&G Committee
Ros Robins		Chair (from 30 Sep 24); F&G Committee; Nominations Committee
Linda Saunders	Retired 23 May 2023	F&G Committee
Sue Scholes	Retired 27 Nov 2023	F&G Committee (Chair); Nominations Committee
Mike Williams		Trading Board Chair;
Michelle Williams	Appointed 28 Sep 2023	HR Committee

Gurdip Bhangoo and Haseena Lockhat will retire by rotation and, being eligible will offer themselves for re-election at the forthcoming AGM.

Senior Management Team

Deborah Kermode	Chief Executive and Artistic Director
Nicola Rowe	Deputy CEO & Director of Commercial & Operations
Barbara Clements	Head of Finance (app. 9 November 2023)
Chris Knight	Interim Head of Finance (left. 30 November 2023)
Sally Ann Pennington	Director of Development
Holly Mulhern	Director of Governance and HR & Company Secretary

Registered Office

Charity Name:	Midlands Arts Centre
Charity Registration Number:	528979
Company Registration Number:	00718349
Registered and Principal Office	Cannon Hill Park, Birmingham B12 9QH

Professional Advisers

Bankers

HSBC Plc
130 New Street
Birmingham
B2 4JU

Auditors

Cooper Parry Group Limited
Statutory Auditors
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Statement of Trustees' Responsibilities

The directors (who are also Trustees of Midlands Arts Centre for the purpose of Charity Law) are responsible for preparing the Annual Report, including the Strategic 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of 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 group for that period. In preparing these financial statements, the directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate and proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

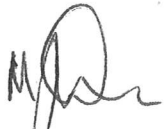
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

As far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By Order of the Board



M Martin
Chair



H Mulhern
Secretary

30 September 2024

Independent Auditor's Report on the Financial Statements to the Members of Midlands Arts Centre

Opinion

We have audited the financial statements of Midlands Arts Centre (the 'parent charitable company') and its subsidiary company (the 'charitable group') for the year ended 31 March 2024 which comprises the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable group's and the parent charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its 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 financial statements section of our report. We are independent of the charitable group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable group's and the 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.

Independent Auditor's Report on the Financial Statements to the Members of Midlands Arts Centre

(continued)

Other information

The other information comprises the information included in the Trustees' Annual 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.

Opinion 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 Strategic Report and 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 Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the charitable group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 39, the Trustees (who are also the Directors of the parent charitable company 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.

Independent Auditor's Report on the Financial Statements to the Members of Midlands Arts Centre

(continued)

In preparing the financial statements, the Trustees are responsible for assessing the charitable group's and the parent charitable company'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 charitable group and the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our assessment focused on key laws and regulations the charitable group and the parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable group and the parent charitable company and how the charitable group and the parent charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable group's and the parent charitable company's control environment and how they have applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable group's and the parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Independent Auditor's Report on the Financial Statements to the Members of Midlands Arts Centre

(continued)

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the parent 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 parent charitable 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 parent charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins, FCA
Senior Statutory Auditor

for and on behalf of
Cooper Parry Group Limited
Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 9 October 2024

MIDLANDS ARTS CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including consolidated Income and Expenditure Account)
for the year ended 31 March 2024

	Notes	Unrestricted funds £	Restricted building project £	Endowment Funds £	MAC Sustainability Fund £	Other restricted projects £	2024 Total £	2023 Total £
INCOME								
<i>Donations and legacies</i>	2	39,719	-	-	-	-	39,719	188,046
<i>Income from charitable activities</i>								
Grants, donations and other income	3	1,060,576	-	-	-	1,060,647	2,121,223	1,990,969
Arts activities	4	1,461,773	-	-	-	-	1,461,773	1,328,910
<i>Income from other trading activities</i>								
Commercial trading operations	5	2,005,847	-	-	-	-	2,005,847	1,980,423
Office lettings, hire and recharges		37,076	-	-	-	-	37,076	180,746
<i>Investment income</i>	2	29,074	-	-	-	-	29,074	7,833
Total income		4,634,065	-	-	-	1,060,647	5,694,712	5,676,927
EXPENDITURE								
<i>Expenditure of raising funds</i>								
Commercial trading operations	6	1,820,007	-	-	-	-	1,820,007	1,743,517
<i>Expenditure on charitable activities</i>								
Small Scale Building Project Cost	15	-	19,547	-	-	-	19,547	9,828
Arts activities	6	2,793,539	-	-	-	1,007,651	3,801,190	3,712,020
Exceptional Item	23	-	-	-	-	-	-	415,864
Total expenditure		4,613,546	19,547	-	-	1,007,651	5,640,744	5,881,229
Net income for the year		20,519	(19,547)	-	-	52,996	53,968	(204,302)
Transfers between funds		-	-	-	-	-	-	-
Net movement in funds for the year		20,519	(19,547)	-	-	52,996	53,968	(204,302)
Reconciliation of funds								
Total Fund brought forward		1,029,574	1,888,948	-	555,321	1,239,987	4,713,830	4,918,132
Total funds carried forward		1,050,093	1,869,401	-	555,321	1,292,983	4,767,799	4,713,830

All activities of the Group are continuing and there is no difference between the reported result for the year stated above and that on a historical cost basis.

The Group has no recognised gains and losses other than those included in the Consolidated Statement of Financial Activities.

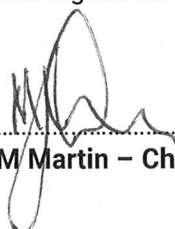
The notes on pages 49 to 67 form part of these financial statements.

MIDLANDS ARTS CENTRE
Company Number 00718349
BALANCE SHEETS
as at 31 March 2024

		Consolidated		Company	
	Notes	2024 £	2023 £	2024 £	2023 £
FIXED ASSETS					
Tangible fixed assets	9a	2,329,072	2,404,815	2,329,072	2,404,815
Intangible fixed assets	9b	50,943	-	50,943	-
Investment in subsidiary undertaking	10	-	-	100	100
Total Fixed Assets		<u>2,380,016</u>	<u>2,404,815</u>	<u>2,380,116</u>	<u>2,404,915</u>
CURRENT ASSETS					
Stocks	11	68,219	59,454	32,596	33,425
Debtors	12	858,634	421,010	819,248	888,886
Cash at bank and in hand:					
- unrestricted		307,670	677,084	224,134	45,662
- restricted – projects		1,292,983	1,239,987	1,292,983	1,239,987
- restricted – MAC Sustainability Fund		555,321	555,321	555,321	555,321
Total Current Assets		<u>3,082,827</u>	<u>2,952,856</u>	<u>2,924,283</u>	<u>2,763,281</u>
LIABILITIES					
Creditors falling due within one year	13	(695,044)	(643,841)	(536,600)	(454,366)
NET CURRENT ASSETS		<u>2,387,783</u>	<u>2,309,015</u>	<u>2,387,683</u>	<u>2,308,915</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,767,799</u>	<u>4,713,830</u>	<u>4,767,799</u>	<u>4,713,830</u>
Pension liability	23	-	-	-	-
NET ASSETS		<u>4,767,799</u>	<u>4,713,830</u>	<u>4,767,799</u>	<u>4,713,830</u>
Represented by:					
RESTRICTED FUNDS					
Building Projects	15	1,869,401	1,888,948	1,869,401	1,888,948
MAC Sustainability Fund	15	555,321	555,321	555,321	555,321
Other	15	1,292,983	1,239,987	1,292,983	1,239,987
UNRESTRICTED FUNDS					
General Funds	17	750,094	729,574	750,094	729,574
Designated Funds	17	300,000	300,000	300,000	300,000
		<u>4,767,799</u>	<u>4,713,830</u>	<u>4,767,799</u>	<u>4,713,830</u>

The notes on pages 49 to 67 form part of these financial statements.

The financial statements were approved by the Board of Directors on 30 September 2024 and signed on its behalf by:


 M Martin – Chair

MIDLANDS ARTS CENTRE
CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 March 2024

	Notes	2024 £	2023 £
Reconciliation of net incoming/(outgoing) resources to net cash flow from operating activities			
Net incoming/(outgoing) resources		53,969	(204,302)
Depreciation and amortisation charges	9a, 9b	109,642	77,986
Net interest	2	(29,074)	(7,833)
(Increase)/Decrease in stocks	11	(8,765)	(31,269)
(Increase)/Decrease in debtors	12	(437,795)	(74,105)
(Decrease)/Increase in creditors	13	51,374	(403,751)
Net cash inflow/(outflow) from operating activities		<u>(260,649)</u>	<u>(643,274)</u>
CASH FLOW STATEMENT			
Net cash (outflow)/inflow from operating activities		(260,649)	(643,274)
Returns on investments and servicing finance	(a)	29,074	7,833
Capital expenditure	9a, 9b	(98,615)	(395,318)
Fixed assets written off	7	13,772	-
Increase/(Decrease) in cash	(b)	<u>(316,417)</u>	<u>(1,030,759)</u>

The notes on pages 49 to 67 form part of these financial statements.

MIDLANDS ARTS CENTRE
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2024

(a)	<u>Returns on investment and servicing of finance</u>	2024	2023	
		£	£	
	Interest received	<u>29,074</u>	<u>7,833</u>	
(b)	<u>Increase in cash</u>	2,024	2,023	
		£	£	
	Balance at beginning of period	2,472,392	3,503,151	
	Net cash flow (note c)	<u>(316,417)</u>	<u>(1,030,759)</u>	
	Balance at end of period	<u><u>2,155,975</u></u>	<u><u>2,472,392</u></u>	
(c)	<u>Reconciliation of net cash flow to movements in net funds</u>		£	
	Decrease in cash during year being change in net funds		(316,417)	
	Net funds at 1 April 2023		<u>2,472,392</u>	
	Net funds at 31 March 2024		<u><u>2,155,975</u></u>	
(d)	<u>Analysis of changes in net funds</u>	At 1 April	Cash	At 31 March
		2023	flows	2024
		£	£	£
	Cash at bank	2,472,392	(316,417)	2,155,975

Notes to the Financial Statements for the Year Ended 31 March 2024

1. Accounting Policies

The principal accounting policies adopted, judgement and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

Midlands Arts Centre is a charitable company limited by guarantee and incorporated in England and Wales under company number 00718349. It is also registered with the Charity Commission for England and Wales under registration number 528979. The registered office is Cannon Hill Park, Birmingham, B12 9QH.

Midlands Arts Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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.

b Basis of Consolidation

The consolidated financial statements consolidate the results of the parent company and of the subsidiary on a line-by-line basis. A separate Statement of Financial Activities and income and expenditure account for the charitable company itself are not presented because advantage has been taken of the exemptions afforded by section 408 of the Companies Act 2006.

c Income

Income from arts activities is included in incoming resources in the period in which the relevant activity takes place. Income is deferred when admission fees are received in advance of the performances or events to which they relate.

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income from commercial trading operations is recognised as earned.

Investment income is included in the financial statements as and when receivable and the amounts shown include taxation recoverable thereon, where applicable.

d Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

e Donated services

Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included as an estimate based on the value of the contribution to the charity.

f Expenditure and irrecoverable VAT

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the café, bar, room hires and their associated support costs.
- Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

All costs are allocated between the expenditure categories of the Consolidated Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

g Fixed Assets, Depreciation, and impairment

All assets that are considered to have a useful economic life (UEL) are capitalised and held as tangible fixed assets. All tangible fixed assets are held at cost less accumulated depreciation with the exception of leasehold land and buildings which are held at the value of the lease premium as determined at 31 March 2022.

Depreciation is provided at rates calculated to write off the costs of the asset, less its estimated residual value, over its UEL as follows:

Buildings

The new lease arrangements with Birmingham City Council were agreed in March 2022 and finalised in April 2022. The lease is for 99 years and the intention is to write off the lease premium over the period of the lease.

Short-term leasehold improvements and fixtures, fittings and equipment

Depreciation is being provided on short-term leasehold improvements and fixtures, fittings and equipment other than computers in equal annual instalments over their estimated working life of between 3 to 25 years.

Computers

Depreciation on computers is being provided in equal instalments over an estimated working life of between 3 to 5 years.

Impairment

All long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. In such circumstances the charitable group estimates the future cash flows expected to result from the use of the asset and its disposal and where those are less than the carrying amount an impairment loss is recognised.

h Intangible Assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the asset can be measured reliably.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life. The MAC amortises the costs of the website over the expected useful life of 7 years.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

i Capital grants

Grants and donations received for capital purposes are accounted for as restricted funds and depreciation of the underlying fixed assets is charged to these funds.

j Stock

Stock is valued at the lower of cost and estimated realisable value.

- k Lease rentals**
Rentals on operating leases are recognised in the Statement of Financial Activities on a straight-line basis as incurred.
- l Pre-production costs**
Any costs which are not able to be recycled or resold are written off and are not carried forward to match against production income.
- m Debtors**
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- n Creditors**
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- o Pension costs**
To meet the requirements of auto-enrolment of staff into a pension scheme, the company offers the NEST pension scheme.
- p Going concern**

The Directors and Trustees have considered the effect of disruptions from external pressures such as the cost-of-living crisis and inflation. Having assessed how these factors may impact the going concern position, they believe the charity will continue to operate for a period of at least 12 months from the date of signing these financial statements. In coming to this conclusion they have taken into account:

- the strong level of funding already secured and confirmed until financial year 2025/26 with key partners; Arts Council England, Players of the People's Postcode Lottery and Youth Music
- The continued support from major trusts and foundations
- The strong cash balances and good level of reserves, enough of which are unrestricted and available to absorb short-term deficits, if required
- The charitable company's business plans and operating basis.

All these factors allow the Trustees to be satisfied that the charitable company remains a going concern, and as such, the financial statements have been prepared on a going concern basis.

- q Financial Instruments**
MAC only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

Amounts due from MAC's wholly owned subsidiary are held at face value less any impairment.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

r Critical estimates and significant judgements

The Trustees consider that there are no significant areas of judgement or key assumptions that affect items in the financial statements other than those included within the accounting policies described above.

s Redundancy Policy

Employees with two years' continuous employment made redundant will be entitled to a statutory redundancy payment. The amount of a statutory redundancy payment is calculated according to a formula based on the employee's age, length of service and week's pay.

t Cash and cash equivalents

Cash is represented by cash in hand. Cash equivalents represent deposits with financial institutions repayable at maturity. These are liquid investments that mature no more than 12 months from the year-end and with an insignificant risk of change in value.

2. Income from grants and donations

	2024 £	2023 £
(a) Grants, Donations and other income - unrestricted		
People's Postcode Lottery	-	-
Pinsent Masons pro-bono fees	3,807	2,600
Eversheds pro-bono fees	-	-
Fundraising and gift aid donations	35,912	35,446
	<u>39,719</u>	<u>38,046</u>
(b) Investment Income		
Unrestricted	29,074	7,833
Restricted	-	-
	<u>29,074</u>	<u>7,833</u>
(c) Small Scale Capital Development - restricted		
Lord Mayor of Birmingham Charity	-	-
Lymoges Trust	-	-
BHSF	-	-
Arts Council England	-	150,000
Greater Birmingham and Solihull Local Enterprise Partnersh	-	-
Saintbury Trust	-	-
	<u>-</u>	<u>150,000</u>

3. Income from Charitable Activities

(a) Grants, Donations and other income - unrestricted		2024	2023
		£	£
Arts Council England		752,748	752,748
Other Income		307,828	113,529
		<u>1,060,576</u>	<u>866,277</u>
(b) Grants, Donations and other income - restricted			
General Projects		2024	2023
		£	£
Arts Council England - Culture Recovery Funds		-	-
Job Retention Scheme		-	-
Birmingham City Council		-	-
BFI		-	-
Other		-	-
		<u>-</u>	<u>0</u>
General Projects - other		2024	2023
		£	£
Arts Council England		-	56,435
National Foundation for Youth Music		54,375	145,022
Roughley Trust		5,500	-
Radcliffe Trust		3,000	-
Feeney Trust		6,500	-
People's Postcode Lottery		750,000	600,000
Anonymous		-	199,150
Nottingham Media		13,624	-
Fidelity		133,150	-
National Collection Fund		32,535	-
Southbank Centre		11,583	-
Culture Centre		19,500	-
Birmingham University - R&D		5,000	-
Theatres Trust		17,362	-
Other Projects		8,518	124,085
		<u>1,060,647</u>	<u>1,124,692</u>

4. Income from Arts Activities

	2024	2023
	£	£
Cinema	241,478	220,519
Learning and Participation	705,815	660,442
Visual Arts	42,521	99,433
Productions and Performances	241,873	245,828
Other Income	230,086	102,688
	<u>1,461,773</u>	<u>1,328,910</u>

All income generated from Arts Activities for the 2024 and 2023 year relates to unrestricted funds.

5. Income from Trading Operations

The charitable company owns 100% of the share capital of Midland Arts Centre Trading Limited which provides catering services, event sales, venue hires and retail activities. The trading results and net asset position of the company for the year ended 31 March 2024 are as follows.

	2024	2023
	£	£
Turnover	2,024,482	2,004,277
Cost of sales	<u>(397,360)</u>	<u>(453,210)</u>
Gross (loss)/profit	1,627,122	1,551,067
Interest received	4,655	-
Staff costs	(788,195)	(729,109)
Other operating costs	(159,451)	(210,654)
Transactions with parent company:	-	-
Facility fee payable	(475,000)	(349,992)
Technical and customer services support recharged	(40,766)	(59,608)
Room rental payable	-	-
Licence fees payable	-	-
Covenanted profit transferred under gift aid	<u>(168,365)</u>	<u>(201,704)</u>
Operating (loss)/profit	-	-
Tax on profit on ordinary activities	-	-
Retained in subsidiary	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary at 31 March were:		
Net current assets	<u>100</u>	<u>100</u>
Total net assets	<u>100</u>	<u>100</u>
Aggregate share capital and reserves	<u>100</u>	<u>100</u>

During the year, Midlands Arts Centre Trading Limited made sales of £18,636 (2023: £23,207) to the parent charity.

6. Total Expenditure

Costs directly allocated to activities

	Cinema	Learning and participation	Visual Arts	Performing Arts	Designated	Other Restricted Projects	Restricted Building Projects	Trading operations	Exceptional Items	2023/24 Total	2022/23 Total
	£	£	£	£	£	£	£	£	£	£	£
Staff costs, travel and subsistence	134,029	684,700	194,226	287,587	-	187,722	-	788,083	-	2,276,346	1,948,918
Payments relating to artists	103,357	29,466	78,601	250,115	-	439,924	-	-	-	901,464	834,948
Materials and consumables	2,585	52,223	70,506	6,986	-	64,637	-	397,510	-	594,446	730,832
Communications	10,234	32,643	14,523	23,057	-	986	-	-	-	81,443	57,284
IT systems providing direct arts support	-	-	-	-	-	-	-	-	-	-	-
Administration	11,968	32,814	11,877	34,224	-	50,538	-	157,192	-	298,613	325,341
Small Scale Building Project Cost	-	-	-	-	-	-	-	-	-	-	-
Total direct costs	262,173	831,846	369,733	601,968	-	743,807	-	1,342,785	-	4,152,312	3,897,323

Support costs allocated to activities

Premises and services costs	28,274	81,796	30,632	49,411	-	64,032	19,547	101,722	-	375,413	-
Building running costs	23,588	76,676	33,562	54,137	-	69,804	-	131,786	-	389,552	330,393
HR and administration	9,330	30,328	13,275	21,413	-	28,061	-	52,126	-	154,532	158,002
IT & Finance	21,910	71,223	31,175	50,287	-	64,840	-	122,413	-	361,848	447,493
Governance	3,696	12,013	5,258	8,482	-	10,609	-	19,148	-	59,208	48,256
Operations and planning	8,954	29,107	12,741	20,551	-	26,499	-	50,028	-	147,879	583,897
Total support costs	95,752	301,143	126,643	204,280	-	263,844	19,547	477,222	-	1,488,432	1,568,041
Exceptional Items	-	-	-	-	-	-	-	-	-	-	415,864.40
Total costs - 2023-24	357,925	1,132,989	496,376	806,248	-	1,007,651	19,547	1,820,007	-	5,640,744	-
Total costs - 2022-23	532,047	1,245,657	447,291	454,562	7,990.00	1,024,474	9,828	1,743,516	415,864	5,881,229	5,881,229

£1,025,466 (2023: £1,919,052) of the above costs were attributable to restricted funds. £4,615,278 (2022: £3,962,177) of the above costs were attributable to unrestricted funds.

Except for where costs can be directly allocated to activity headings, the method of apportionment of costs to activity headings is based, mostly, on activity levels. Actual income generated in the year has been used to indicate levels of activity.

7. Charitable Expenditure

Expenditure includes:	2024 £	2023 £
Auditors' remuneration		
- in respect of audit of the Charity	21,567	21,580
- in respect of audit of the Charity's subsidiary company	4,500	4,825
- in respect of audit of the Charity Prior year	-	-
- for specialist advice (all parent Charity)	10,559	6,125
Depreciation – owned assets	109,642	77,986
Fixed assets written off	<u>13,772</u>	<u>-</u>

8. Staff Costs

The aggregate staff costs of the charitable group were:

	2024 £	2023 £
Wages and salaries	2,774,165	2,506,655
Social security costs	195,358	180,685
Pension costs	<u>48,812</u>	<u>43,505</u>
	<u>3,018,335</u>	<u>2,730,845</u>

Redundancy and termination payments amounting to £8,520 (2023: £Nil) were paid during the year.

Holiday pay of £15,000 (2023: £9,711) is included in provisions.

The company has also established a defined contributed scheme with NEST.

Higher Paid Staff

	2024 Number	2023 Number
The number of employees whose remuneration fell within the band £80,000 to £89,999	<u>1</u>	<u>0</u>
The number of employees whose remuneration fell within the band £70,000 to £79,999	<u>0</u>	<u>1</u>
The number of employees whose remuneration fell within the band £60,000 to £69,999	<u>1</u>	<u>0</u>

No other employees were paid remuneration of more than £60,000 in current or previous year.

Trustees' and key management personnel remuneration and expenses

No trustee received any remuneration or reimbursed expenses during the year. (2023: £Nil)

The total amount of employee benefits received by key management personnel is £327,888 (2023: £287,776). Key management personnel are set out on page 38 of this report.

Average number of employees

The average number of employees in the year was as follows:

	2024 Number	2023 Number
Business and administration staff – Full time	16	30
Business and administration staff – Part time	59	48
Arts team – Full time	10	5
Arts team – Part time	66	59
Catering, bar and events staff - Full Time	11	18
Catering, bar and events staff - Part Time	37	36
	<u>199</u>	<u>196</u>

9a. Tangible Fixed Assets

Consolidated and Company	Leasehold land and buildings £	Leasehold Improvements £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2023	973,000	1,453,094	578,982	180,546	3,185,622
Additions	-	36,983	8,835	-	45,818
Disposals		(26,545)	(139,613)	(68,795)	(234,954)
At 31 March 2024	973,000	1,463,531	448,204	111,751	2,996,486
Depreciation					
At 1 April 2023	9,828	156,138	457,723	157,118	780,807
Charge for year	10,741	77,114	9,523	10,410	107,788
Disposals	-	(26,545)	(125,841)	(68,795)	(221,181)
At 31 March 2024	20,569	206,707	341,405	98,733	667,414
Net book values					
At 31 March 2024	952,431	1,256,825	106,799	13,018	2,329,072
At 31 March 2023	963,172	1,296,957	121,259	23,428	2,404,815

9b. Intangible Assets

Consolidated and Company

	Intangibles £	Total £
Cost		
At 1 April 2023 (as re-stated)	-	-
Additions	52,797	52,797
Disposals		-
At 31 March 2024	52,797	52,797
Amortisation		
At 1 April 2023		-
Charge for year	1,854	1,854
Disposals		-
At 31 March 2024	1,854	1,854
Net book values		
At 31 March 2024	50,943	50,943
At 31 March 2023	-	-

10. Investment in Subsidiary Undertaking

The company owns 100% of the issued share capital of Midlands Arts Centre Trading Limited, a company registered in England and Wales, and whose principal activity is the provision of catering services, event sales and hire. The results and financial position of the subsidiary undertaking are set out in note 5.

11. Stock

	Consolidated		Company	
	2,024	2,023	2,024	2,023
	£	£	£	£
Catering and bar stocks	13,575	16,634	-	-
Retail Stock	54,644	42,820	32,596	33,425
	<u>68,219</u>	<u>59,454</u>	<u>32,596</u>	<u>33,425</u>

12. Debtors

	Consolidated		Company	
	2024	2023	2024	2023
	£	£	£	£
Amounts falling due within one year				
Due from subsidiary undertaking	-	-	76,891	435,134
Other debtors	214,489	148,783	92,906	49,067
Taxation	29,336	-	29,336	140,971
Provision for bad debts	(32,155)	-	-	-
Prepayments	119,536	73,222	120,243	72,449
Accrued income	527,428	199,005	499,872	191,265
	<u>858,634</u>	<u>421,010</u>	<u>819,248</u>	<u>888,886</u>

13. Creditors

	Consolidated		Company	
	2024	2023	2024	2023
	£	£	£	£
Amounts falling due within one year				
Trade creditors	193,166	207,376	137,343	125,644
Taxation and social security	132,505	81,654	45,227	-
Other creditors	15,192	48,336	15,334	48,336
Accruals	107,854	116,517	92,198	93,102
Deferred income	246,498	189,958	246,498	187,284
Pension liability	-	-	-	-
	<u>695,215</u>	<u>643,841</u>	<u>536,600</u>	<u>454,366</u>

Deferred Income has arisen where events and courses are sold ahead of the actual date of the event. This is deferred in the accounts balance sheet to be released in the correct accounting period.

14. Operating Lease Commitments

The total minimum lease payments due by the charitable company at 31 March 2024 in respect of non-cancellable operating leases are as follows:

	Consolidated		Company	
	Other operating leases		Other operating leases	
	2024	2023	2024	2023
Within one year	9,338	12,752	9,338	12,752
Within one and two years	2,415	4,445	2,415	4,445
Within two to five years	1,375	6,668	1,375	6,668
	<u>13,128</u>	<u>23,865</u>	<u>13,128</u>	<u>23,865</u>

15. Restricted Funds (Charity and Group)

	Capital Development £	Small Scale Capital Development Project £	Endowment Funds £	New Fund £	Projects (note 16) £	Total £
At 1 April 2022 b/f	973,000	775,776	-	1,440,070	1,139,770	4,328,616
Incoming resources						
Incoming resources (note 2,3)	-	150,000	-	-	1,124,692	1,274,692
Resources expended						
Amortisation	(9,828)	-	-	-	-	(9,828)
Arts activities	-	-	-	-	(1,024,475)	(1,024,475)
Exceptional Item	-	-	-	(884,749)	-	(884,749)
Transfers	-	-	-	-	-	-
At 31 March 2023 c/f	963,172	925,776	-	555,321	1,239,987	3,684,256
At 1 April 2023 b/f	963,172	925,776	-	555,321	1,239,987	3,684,256
Incoming resources						
Incoming resources (note 2,3)	-	-	-	-	1,060,647	1,060,647
Resources expended						
Small Scale Building Project Cost	(10,741)	(8,806)	-	-	-	(19,547)
Arts activities	-	-	-	-	(1,007,651)	(1,007,651)
Transfers	-	-	-	-	-	-
At 31 March 2024 c/f	952,431	916,970	-	555,321	1,292,983	3,717,705

The Capital Development Fund matches the lease premium (notional value) of the 99 year lease currently held by MAC from Birmingham City Council.

The Small Scale Capital Development Project represents capital grants received for minor capital works.

The MAC Sustainability Fund is available to support MAC in financing any costs of an exceptional nature.

The Restricted Projects comprise restricted funds provided by a large number of donors and funders. They are utilised in accordance with their specific purposes throughout the year.

16. Analysis of Restricted Project Funds (Charity and Group)

	1 April 2023 £	Incoming resources £	Resources expended £	31 March 2024 £
National Foundation for Youth Music Youth music inclusion programme working with children and young people in challenging circumstances	73,986	54,375	(141,882)	(13,521)
Covid - 19 Support funds*	-	-	-	-
Other Projects**	1,166,001	1,006,272	(865,769)	1,306,504
Total	1,239,987	1,060,647	(1,007,651)	1,292,983

* Refer to note 3 for list of supporters

** Includes sums from a range of supports including The Roughley Trust, The John Feeney Charitable Trust, Anonymous Donations, Nottingham Media, Southbank Centre, The Radcliffe Trust, National Collection Fund, Culture Centre, Theatres Trust towards commissions, productions, exhibitions and events as part of MAC's longer range artistic programme.

Comparison to financial year ended 31 March 2023

	1 April 2022 £	Incoming resources £	Resources expended £	31 March 2023 £
National Foundation for Youth Music Youth music inclusion programme working with children and young people in challenging circumstances	54,936	145,022	(125,972)	73,986
Covid - 19 Support funds*	23,453	-	(23,453)	-
Other Projects**	1,061,381	979,670	(875,050)	1,166,001
Total	1,139,770	1,124,692	(1,024,475)	1,239,987

17. Unrestricted Funds (Consolidated and Company)

	General Funds £	Designated Funds £	Pension Funds £	Total £
At 1 April 2022 b/f	685,056	350,000	(445,540)	589,516
Net incoming resources before transfers	2,508	(7,990)	445,540	440,058
Transfer of funds	42,010	(42,010)	-	-
At 31 March 2023 c/f	<u>729,574</u>	<u>300,000</u>	<u>-</u>	<u>1,029,574</u>
At 1 April 2023 b/f	729,574	300,000	-	1,029,574
Net incoming resources before transfers	20,520	-	-	20,520
Transfer of funds	-	-	-	-
At 31 March 2024 c/f	<u>750,094</u>	<u>300,000</u>	<u>-</u>	<u>1,050,094</u>

UNRESTRICTED FUNDS (Charity)

	General Funds £	Designated Funds £	Pension Funds £	Total £
At 1 April 2023	729,574	300,000	-	1,029,574
Net incoming resources before transfers	20,520	-	-	20,520
Transfer of funds	-	-	-	-
At 31 March 2024	<u>750,094</u>	<u>300,000</u>	<u>-</u>	<u>1,050,094</u>

The designated funds have been identified by the Directors as being necessary to ensure that MAC's building is maintained to a good standard.

18. Analysis of Group Net Assets Between Funds

	Unrestricted Funds Consolidated £	Restricted Funds Consolidated £	MAC Sustainability Funds Consolidated £	Total Funds £
Fund balances at 31 March 2024 are represented by:				
Fixed assets	510,614	1,869,401	-	2,380,016
Stock	68,219	-	-	68,219
Debtors	858,634	-	-	858,634
Cash at bank and in hand	307,670	1,292,983	555,321	2,155,975
Creditors	(695,044)	-	-	(695,044)
Provisions / Pensions	-	-	-	-
	<u>1,050,093</u>	<u>3,162,385</u>	<u>555,321</u>	<u>4,767,799</u>

Comparison to financial year ended 31 March 2023

	Unrestricted Funds Consolidated £	Restricted Funds Consolidated £	MAC Sustainability Funds Consolidated £	Total Funds £
Fund balances at 31 March 2023 are represented by:				
Fixed assets	515,867	1,888,948	-	2,404,815
Stock	59,454	-	-	59,454
Debtors	421,010	-	-	421,010
Cash at bank and in hand	677,084	1,239,987	555,321	2,472,392
Creditors	(643,841)	-	-	(643,841)
Provisions / Pensions	-	-	-	-
	<u>1,029,574</u>	<u>3,128,935</u>	<u>555,321</u>	<u>4,713,830</u>

The designated funds within unrestricted funds are represented by cash at bank.

19. Financial Activities of the Charitable Company

The financial activities shown in the consolidated statement of financial activities includes those of the company's wholly owned subsidiary.

A summary of the financial activities undertaken by the parent charitable company is set out below.

	2024 £	2023 £
Gross incoming resources	3,874,704	3,933,410
Total expenditure on charitable activities	(3,761,529)	(3,673,593)
Governance costs	(59,208)	(48,255)
Exceptional Items	-	(415,864)
Net (outgoing)/incoming resources for the year	<u>53,968</u>	<u>(204,302)</u>
Total funds brought forward	<u>4,713,830</u>	<u>4,918,132</u>
Total funds carried forward	<u><u>4,767,798</u></u>	<u><u>4,713,830</u></u>
Represented by:		
Unrestricted funds	750,094	729,574
Designated funds	300,000	300,000
Endowment funds	-	555,321
Restricted funds	3,717,705	3,128,935
Pension funds	-	-
	<u><u>4,767,799</u></u>	<u><u>4,713,830</u></u>

20. Other Lease Commitments

The charitable company has the commitment to pay a peppercorn rent expiring after more than 5 years on the leasehold, land, and buildings at Cannon Hill Park.

21. Contingent Liabilities

The charitable company is the representative member of a VAT registration group with its subsidiary company. The parent and subsidiary are jointly and severally liable for any VAT due from the representative member.

22. Tax Status

As a charitable company, Midlands Arts Centre is exempt from tax on income and gains falling within 481 to 489 of the Corporation Taxes Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company. The Trading subsidiary has no profits which are subject to taxation under the Income and Corporation Taxes Act 2010.

23. Pensions

PSATSA Pension

In January 2023 the Trustees of MAC served the PSATSA Pension Fund Trustee with formal notice they wished to trigger a section 75 exit from the pension fund. An exit payment of £827,000 together with associated costs of the Pension Fund of £39,890 was subsequently paid to the Pension Fund in March 2023 thereby fully eliminating any liability associated with this historic benefit pension scheme. MAC also incurred legal and advisory fees of £17,829 which brought the total cost of exiting from the Pension Fund to £884,719. The net one-off impact of this transaction was an exceptional charge of £415,864. This was shown as an exceptional item in the Financial statements to end March 2023.

Nest Pension

The Company offers the NEST pension scheme to meet the requirements of auto-enrolment of staff into a pension scheme.

24. Members

The charity is incorporated as company limited by guarantee, and in accordance with the memorandum of association of the company, every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are a member, or within one year after they cease to be a member, for the payment of the debts and liabilities of the company contracted before they cease to be a member and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required, not exceeding £1.

The number of members at 31 March 2024 was 17 (2023:18).

25. Related Parties Transactions

A number of trustees of Midlands Arts Centre have interests in organisations which have provided support and funding to the charity in the year. The trustees have considered the disclosure requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102), and of Financial Reporting Standard 102, and consider that the transactions requiring disclosure are as follows:

- a. Linda Jones, Trustee, is a partner of Pinsent Masons LLP, a firm the charity used in the year ending 31 March 2024 for the provision of specialist advice in relation employee relations. Pro-bono fees donated by Pinsent Masons are disclosed in note 2 to the accounts.
- b. Owen Dutton, Trustee is a Legal Director of Eversheds Sutherland, a firm the Charity has a corporate sponsorship arrangement with, amounting to £7,500 pa.

Transactions with the charity's totally owned subsidiary, Midlands Arts Centre Trading Ltd, are disclosed in note 5 to the accounts, and the balances owed to or due from the company are disclosed in note 12.

26. Ultimate Controlling Party

MAC is controlled by its Board of Trustees.

Accounts

Midlands Arts Centre

A Company Limited by Guarantee

Trading as MAC

Annual Report & Financial Statements For The Year Ended 31 March 2023

Company No: 00718349
Charity No: 528979

Annual Report and Financial Statements for the Year Ended 31 March 2023

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Overview

The Year in Numbers



Chair's Statement

I am pleased to report that 2022/23 was a very positive year for MAC despite the inevitable economic pressures.

In 2022, MAC celebrated its 60th birthday. This was a real milestone; a time to reflect on past achievements and to acknowledge the sheer hard work that keeps MAC a vital contributor to the cultural life of Birmingham and beyond. Our park location, the diverse surrounding local community, and our vibrant city of Birmingham combine to give MAC its distinct personality and we remain proud of our special history and context.

Underpinning the success of the year just gone were a series of hugely popular celebratory events to mark this important anniversary. The year finished with a highly popular exhibition, Grayson's Art Club in partnership with Grayson Perry and Channel 4, which was launched in December and was extended until June 2023. In total, we saw upwards of 33,000 visitors, raising £130,000 through ticket income from the exhibition (by introducing a new 'pay-what-you-can' scheme) and contributing to a strong secondary spend income through catering and merchandise.

It is wonderful to see that visitors are returning to MAC. At the end of March 2023, footfall into the building was at 91% of pre-COVID-19 (2019/20) levels. These figures (which continue to grow) and the extraordinary response to our artistic programme demonstrate what we have long known: that people have a deep need for art in their lives. Our role continues to be to champion the value of inclusivity, wellbeing, and creativity to support their lives.

This success has been achieved against a backdrop of the fallout from the pandemic and the cost-of-living crisis, with rising inflation, increased fuel prices and political instability. We continue to prioritise the interests of our communities and are also working to support our workforce in these challenging times. Despite being 60 years old, MAC has the flexibility and the strength to embrace change. Our mission remains pertinent, 'To promote innovative, creative arts activities in ways which help to establish them as an important part of people's lives'. We continue to plan an ambitious future at a time when audiences and artists need us more than ever.

MAC's venue is a major asset in providing that interface with the public and the much-needed earned income we derive across activities. There has been significant growth in MAC's events hires since the re-opening in May 2021. Both corporates and charities have been keen to use our venues for room hire and hospitality. We were fortunate to receive a generous capital grant from Arts Council England for a complete refurbishment of MAC's music and recording studios. This state-of-the-art facility is now available to MAC's network of disabled children and young people through our award-winning MAC Makes Music programme, as well as community groups and commercial hirers.

We are thankful that stakeholder partnerships with Arts Council England, Players of the People's Postcode Lottery and Youth Music were all extended into further three-year funding agreements. We have many staunch supporters, and I am proud to report that relationships with local trusts such as The Feeney Trust, The Saintbury Trust and The Roughley Trust remain strong. Alongside charity support we remain grateful for the generosity of our corporate partners particularly Eversheds Sutherland and Patrizia, both of whom have been stalwart in their support of innovative community engagement. In the past year, MAC's

membership base has also expanded, and we welcome the regular commitment of individuals and their valuable financial support.

MAC finished the year-end in a positive financial position, in thanks to strong trading and buoyant ticket sales across the charity. In addition, in March 2023 MAC paid £866,890 from the sustainability fund to clear the historic pension liability deficit and so remove one of the major risks to MAC's long-term survival. This significant action has resulted in the removal of some £9,000 per month in costs in addressing those long-term liabilities. Our plans for 2023/24 remain ambitious, but we remain alert to the challenges of rising inflation and the cost-of-living crisis.

Finally, as Chair, this year I have worked closely with the Trustees on a detailed review of our governance. This work continues into 2023/24. A succession plan has been drawn up to ensure the Trustee group is refreshed as a number of long-serving Trustees come to the end of their terms of office, with a commitment to recruit and embed a cohort of new Trustees with the appropriate skills.

The ongoing care and boldness of vision it takes to make MAC the renowned arts centre it is today is a truly collective effort. I would like to thank everyone who has offered MAC their valuable guidance, particularly my fellow Trustees and those that have retired throughout the year, who share their time and wisdom so generously, all the artists who inspire our audiences; and most especially to our diligent and caring workforce who work tirelessly to ensure we deliver a high-quality service in everything we do.

Mary Martin, Chair of the Trustees

Chief Executive's Report

This report covers a period of immense change as we readapt to a new cultural landscape. We remain more grateful than ever to see, that despite many external challenges, our audiences and artists need MAC more than ever and the importance of art remains vital to their everyday lives.

Notably we were recognised for our work, by Visit England's annual survey ranked MAC as the number 1 'most visited free attraction in the West Midlands' for 2022 and in March 2023, MAC was awarded 'Large Visitor Attraction of the Year' at the West Midlands Tourism Awards. As part of the judging process, we received an anonymous visit during the busy school holiday period from judges who explored the venue, exhibitions and our café, KILN. MAC's website, online and social media present, visitor reviews and our responses were also reviewed. It was a superb award to complete a fantastic 60th anniversary year.

We brought fresh perspective to art and new ways to engage with artists. Highlights include:

Exhibitions

Grayson's Art Club: The Exhibition

"MAC in Birmingham is the perfect venue for our third Art Club Exhibition. I always have a great time in this city and suspect it may be the coolest place in the UK." Sir Grayson Perry.

The exhibition launched with a celebration party on 2 December 2022 and the show being extended to 25 June 2023, due to public demand. During this period 33,000 visitors attended to enjoy over 120 artworks selected by Sir Grayson Perry, Lady Philippa Perry, and guest celebrities that featured as part of the season three of the popular TV services, Grayson's Art Club. The programme brought the nation together through art and encouraged people to celebrate their collective creativity.

Adeela Suleman: Allegory of War

It was a privilege to produce the first solo UK exhibition of Pakistani artist, Adeela Suleman. The recurring motifs in her work such as birds and flowers form detailed, repetitive patterns, which are replete with symbolic meaning and are used across emblems of war and conflict. For MAC we presented a large-scale diorama embroidery, a series of metal works, sculptures and film. The exhibition followed on from the hugely popular exhibition by Maryam Wahid, Zaibunnisa (Feb-March 2022) to celebrate the voice of female experience from a Pakistani context. This demonstrates MAC's strategic commitment to raising the profile of under-represented artists from South Asian backgrounds.

MAC at 60: A History of MAC in 60 Objects

An exhibition about how MAC has contributed to the everyday lives of residents, artists, visitors, and former and current staff. 60 objects chosen from across six decades of MAC's existence were loaned to the exhibition by 60 members of the public and exhibited around the venue. These objects told the rich and fascinating stories of people's personal connections to MAC.

Live Arts

Greg Homann: In Our Skin

This powerful verbatim-based theatre production connects the lives of gay men from two diverse cities across the hemisphere – Birmingham and Johannesburg. The work draws on interviews with men to create a compelling new work that captures the

complexity of what it is to be a gay man today. The production integrates the verbatim text with video and original music. A cast of six actor-musicians tell the wide ranged stories shared across two cities.

A Little Earthquake Production: The Dog With Two Dads

A new family play about a same-sex couple, Ali and Ash who are living happily together. The only thing that would make them even happier is the pitter-patter of furry feet as they become 'pawrents'. This wonderful story is about two papas and a dog and celebrates families of every shape and size, and being loved for exactly who you are. This play is part of MAC's strategic commitment to create new work for LGBTQIA+ families which extends across our artistic programmes.

Stan's Café: Of All The People In All The World

An acclaimed performance-installation that uses grains of rice to bring to life abstract statistics, which was adapted to offer a portrait of MAC's 60th anniversary. Each grain of rice in the gallery represented one person. Visitors were invited to compare the one grain that was them, to millions that were not. Over a period of days, a team of performers weighed out quantities of rice to represent a host of human statistics, such as the number of people born each day. Stan's Café has a long association with MAC, having performed many of their shows here since the company formed in 1991. The installation came complete with a special 'MAC twist', using the organisation's statistics in honour of our landmark year.

Our involvement with REFRAME: In 2023 MAC joined a new national consortium of partners led by Apple (Apple Racial Equity and Injustice Initiative) and Southbank Centre, Factory International and STEAMhouse to establish a framework to support the skills and ambitions of emerging Black creatives, who for too long have been locked out of opportunities and pathways to careers in the industry. REFRAME provides the technical tools and resources for aspiring young artists and creatives in the UK to develop their own voices and position themselves for long-lasting careers in the creative industries. Together, this partnership aims to inspire Black creatives to make the art of the future, building a cultural legacy for the UK. This pilot project now has the go-ahead to expand, with future investment building on MAC's own brands of Girls that Geek and Little Geeks.

Our Community Engagement: including MAC Neighbours Community Research projects, which was launched in the year.

Our MAC Makes Music programme: which made music with 861 children and young people, all of whom were facing at least one challenging circumstance to accessing music.

All these and so many more activities make MAC the exciting place it is to be involved in. And none of it would happen without its wonderful and committed team of staff, to whom I'd like to express my heartfelt thanks. I would like to say a final thank you to all the artists who worked with us, their commitment continues to be an inspiration to all of us.

Deborah Kermode, Chief Executive & Artistic Director

Trustees' Report including Strategic Report

The Trustees, who are also the Directors of the charitable company for the purposes of Company Law, present their Annual Report, which includes the Strategic Report, and the audited consolidated financial statements for the charitable group year ended 31 March 2023.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the 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 (FRS102) (effective 1 January 2019).

Who We Are

First opened in 1962, Midlands Arts Centre (MAC) is a pioneering arts centre and charity and an Arts Council England National Portfolio Organisation. Set in Cannon Hill Park, two miles south of the city centre, MAC offers a busy programme of theatre, independent cinema, visual arts exhibitions, creative courses, and special events. MAC is a national leader in developing work with children, young people, and families. At the heart of MAC is a focus on sustainability, accessibility, and inclusion. We work extensively to support international and local artists, and develop programmes for and with the local community.

We want to encourage as many people as possible to:

“explore, examine and enjoy the arts activities of others; and participate in, and undertake, their own arts activities.”

Our Mission is:

To promote innovative, creative arts activities in ways which help to establish them as an important part of people's lives.

Our Vision is:

Artists and their relationship with audiences are at our heart. Our programmes focus on work exploring new grounds and adopting inter-cultural and inter-disciplinary approaches across a range of art forms and the meeting points in between.

Our Values are:

MAC's values underpin all the decisions we take: how we serve our audiences, recruit our staff and engage with artists. MAC values the following:

- artistically experimental activities – and ones striving to engage with their audiences.
- celebrating diversity – and strengthening social cohesion.
- offering equal opportunities to everyone – and recognising the uniqueness of artistic talent.
- increasing the accessibility of the arts – and respecting their complexity.
- giving users and audiences more involvement in, and control over, programming – and introducing them to new challenges and innovations.
- helping artists to find their own, unique voice – and to forge productive partnerships with other artists and the general public.
- making the most of the social benefits of the arts – and valuing the pleasure people gain from their own individual artistic expression.

Further details on all our activities can be found later in this report and on our website:

www.macbirmingham.co.uk

Key Highlights from 2022/23

2022/23 was our first year of full trading since reopening in May 2021, and offered us a more realistic sense of what the public wanted from us as a venue, post pandemic. Footfall increased significantly year on year, and was 841,681 in the year ending 31 March 2023 (2021/22: 449,219). Arts activities rebounded strongly, with the exception of Productions and Performances where audiences seem more reluctant to return. Importantly our trading activities improved significantly and once again contributed to the charity.

Much of the footfall was stimulated by the bumper year of artistic achievements throughout 2022/23. In celebration of the Commonwealth Games 2022, staged in Birmingham during the summer of 2022, MAC commissioned a range of ambitious exhibitions and performances on the theme 'Our Place in the Commonwealth' honouring artists whose heritage is reflected in their work and who bring a fresh perspective to notions of Commonwealth, Britishness and identity. Then to complete a busy year in December we were extremely proud to present 'Grayson's Art Club' with artist, Grayson Perry in partnership with Ch4.

Capital work on the venue remains a vital part of our future-proofing and in Autumn 2022 we refurbished our suite of music studios, re-modernising them for a more diverse and attractive offer to include a state-of-the-art recording studio, a resource that enables the hire of commercial sales and community usage.

As previously mentioned, MAC is the number 1 most visited free attraction in the West Midlands for 2022 from Visit England's annual survey. We also won West Midlands Tourism Awards – Large Visitor Attraction of the Year, with one judge commenting:

"This felt like a cultural venue born of the community around it, with artwork representing the community and packed full of local community people using it. If I lived closer – I'd be here all the time with my family".

Key artistic highlights in more detail:

Exhibitions

In addition to Grayson's Art Club: The Exhibition, A History of MAC in 60 Objects and Adeela Suleman: Allegory of War, MAC was proud to present:

John Akomfrah, The Unfinished Conversation (2012)

In collaboration with Lisson Gallery, to celebrate the 10-year anniversary of his film installation, a moving portrait of the cultural theorist Stuart Hall's life and work. John Akomfrah was a founding member of the influential Black Audio Film Collective in 1982.

Sharon Walters, Seeing Ourselves

The first ever exhibition of British artist, Sharon Walters, revealing her intricate hand-assembled photographic collages that seek to celebrate the experiences of black women. Alongside the exhibition we presented a group show by Birmingham collective – Mixed Rage, whose work also shared a discourse around heritage and activism.

Bristol Archives, Empire through the Lens

A multi-faceted look at the former British Empire and its impacts on people today, through a unique selection of still and moving images. It was presented alongside four new

commissions by Birmingham-based artists responding to the ideas raised by items in the collection.

Queer Metals

This group exhibition explores the multiplicity of queerness through metalwork and metalsmithing.

"Thank you for this lovely exhibition, it raises a lot of wonderful wonderings at the intersection(s) of queer (not only identity) matter (and materiality) and body (or rather bodies)"
"I (she/her) brought my wife to this exhibition – it's nice to feel seen. Great content, awesome items. Queer metal rocks."

"Thank you for bringing queer art to this space and ensuring we are seen & heard".

Comedy, Theatre & Dance

Live performance lies at the heart of MAC's creative work, spanning comedy, theatre and dance. The size of our venues dictates that much of it is new writing and experimental and therefore vital to the future long-term ecology of the arts sector. Across the UK, live performances have been slower to respond to return audiences post pandemic due to the financial costs and availability of touring work.

In 2022/23 we presented:

241 performances

765 artists were employed (2019/20: 293)

53% average capacity of paid events

Notable commissions included Stan's Café: Of All The People in All The World, Greg Homann: In Our Skin and Little Earthquake Theatre: The Dog With Two Dads.

Cinema

922 screenings

29,016 tickets

Cinema is steadily returning, encouraged by special high profile film events such as the actress, Pam Grier Q&A, Russell T Davies talk and speakers Asif Kapadia and Saim Sadiq. A big part of audiences' desire to attend venues is the opportunity to meet the makers and actors.

Partnerships, such as NT Live and BFI London Film Festival, also play a vital part in boosting MAC's reputation and profile. We were one of ten venues across the UK offering a number of exclusive screenings cherry picked from the London Film Festival programme and due to the hugely positive results, the BFI will be extending the collaboration into 2023/24. We also welcomed the French Film Festival back to MAC screens in December and the Japan Touring Foundation Film Festival in March.

Our Reel & Meal (a classic film accompanied by a unique dining experience prepared by our catering team) has grown significantly into a popular supper club, with sell-out events on Valentine's Day and St Patrick's Day. This has been extended to family and children's dining for Halloween and Christmas.

Square Eyes TV Festival, MAC's homegrown TV festival, was commissioned for a third series and was even more entertaining, more ambitious, and packed full of celebrity guest

stars. The 2022 event offered exclusive screenings and Q&As, alongside exceptional Midlands-based productions and talents.

Learning & Participation (L&P)

883 separate courses held

44,094 participants took part (2019/20: 41,800)

L&P has had a hugely successful year with sales comparable to pre-COVID figures. Term-time courses, children's holiday camps and adult short courses sold very well. There was an increased interest in arts and crafts-based activities with a downturn in mental health, wellbeing, dance and fitness courses. However, through the year we consolidated this area of the programme and identified new tutors to help reinvigorate more performance-based courses. The short courses are becoming better known and are popular as taster sessions and weekend experiences. We believe further growth opportunities are available. MAC's large team of artist tutors remain an important part of the workforce and additional training and investment has been sought to ensure a strong, diverse mix of talents and knowledge.

As mentioned previously, the REFRAME pilot project has the go-ahead to expand, with future investment building on MAC's own brands of Girls that Geek and Little Geeks.

Community Engagement

Galvanised by the huge appetite our communities have shown in their enthusiasm to return to hands-on activities since MAC's reopen in May 2021 and success in our fundraising, we spent 2022/23 reviewing our community strategy. We invested in a new post of Community Producer and Community Apprentice to consider more sustainable impact methods and partnerships and from this established community programmes were reimaged (such as Culture Club) and new ones, based on gaps in provision, were created.

MAC Neighbours Community Research Project

MAC Neighbours, our newest community research project was established during the year with a call out for community researchers to engage with us, outside of our usual networks. The aim of MAC Neighbours initiative is to work closely with a cohort of ten residents who live closest to us and support them through accredited training to become community researchers to find out more about barriers to attending MAC, and to share their vision of what MAC could offer them. It is a unique opportunity to collaborate with residents to make an impact on future planning and strategic decisions at MAC.

"Getting started with the research has been fantastic: the networking, speaking to local people, and the enthusiasm that has come from participants as well. I'm really pleased that I'm involved in MAC Neighbours, and I'm really looking forward to the whole research programme, and the positive outcomes as well. It's been brilliant." – Community researcher Laila Khan.

Culture Club

Culture Club, MAC's monthly arts club for over-65s, continues to grow, with around 50 regular attendees. Lots of group work across craft, music, and dance, which is hugely popular.

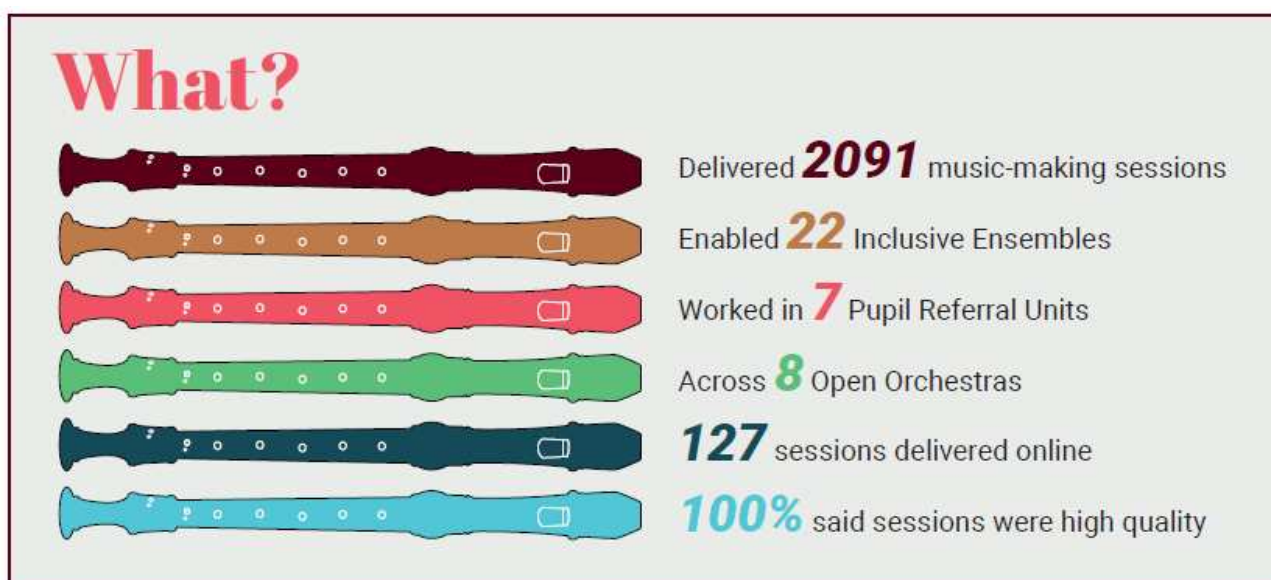
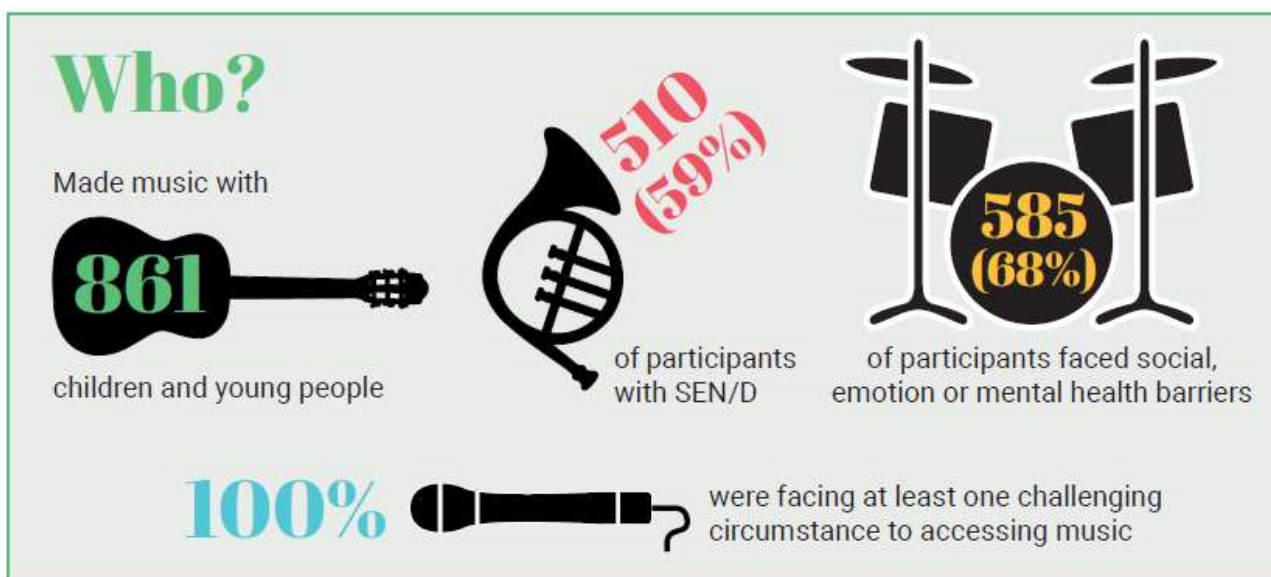
Bedlam

We established a new creative wellbeing group for women who are experiencing issues with their mental health, participants are referred to us by Birmingham and Solihull Mental Health NHS Foundation Trust. The participants inputted into the recruitment of the lead-artist Amelia Hawk, selecting the short-listed artist, and attending artist interviews.

Hannah Phillips' group of young people identifying as LGBTQIA+ known as Generation Q came together in a performance called Raging Queens which was the result of several weeks of MAC supported workshops with Hannah and visiting artists. Gen Q produced a moving evening of performance for young people.

MAC Makes Music

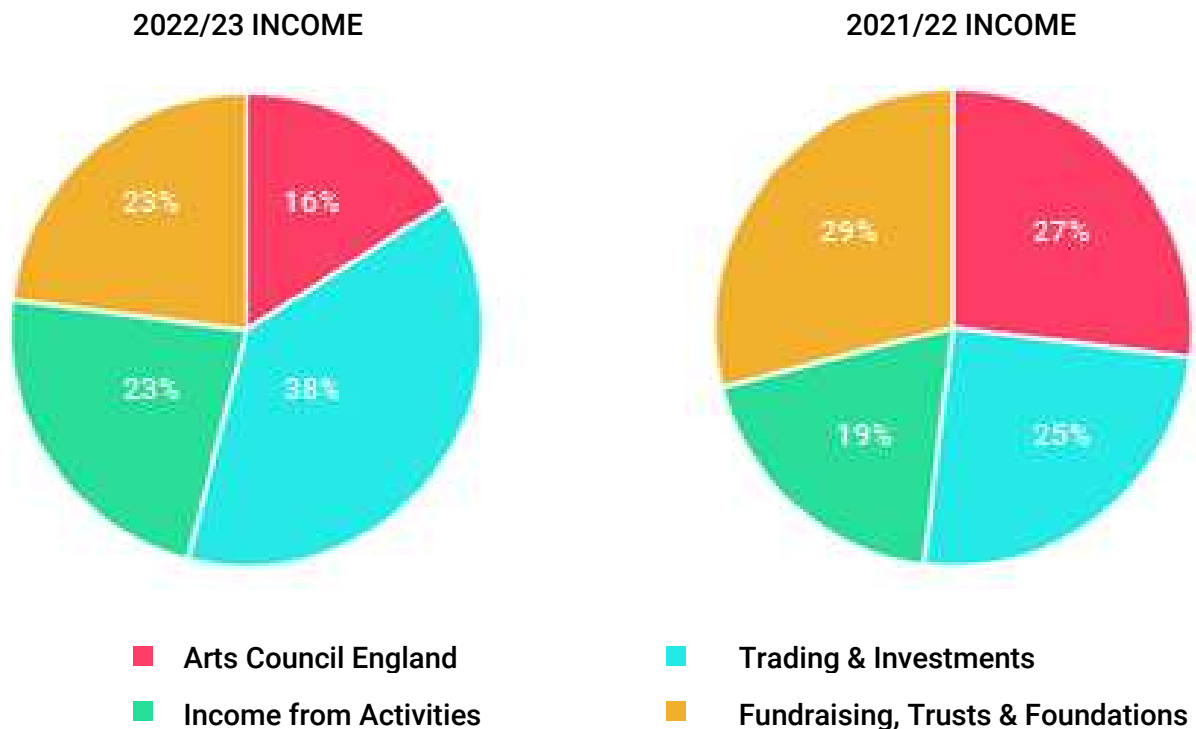
It was the final year of the four-year funding agreement we held with Youth Music Fund C. The final year reflected on the learning that had taken place with our major partners across the region and identified new ways to adapt our services in 2023/24 onwards.



How We Funded Our Activities

MAC's activities are funded by the generous support we receive from Arts Council England, Players of the People's Postcode Lottery, Birmingham City Council and many other trusts and foundations and individual donors; by our customers through the tickets they buy; by the users of our café, bar and retail outlet; and by those who hire our facilities for their events.

Of our total income, 61% is raised through our own arts and trading activities.



Looking at each major source of funds in turn:

Fundraising, Trusts, and Foundations

MAC is committed to fundraising best practice and abides by the Fundraising Regulator's key principles: to be legal, open, honest, and respectful. MAC is registered with the Fundraising Regulator and no complaints have been received to date.

As well as our established major stakeholders, a diverse range of regional and national funders generously supported projects, exhibitions, and events across the organisation. This year, we continued to nurture meaningful relationships with regional and national trusts and foundations, welcomed new supporters, and developed campaigns to educate and inspire our audiences and visitors.

Major Stakeholders

Arts Council England

MAC is a National Portfolio Organisation (NPO) within the funding programmes of Arts Council England (ACE). In early 2022 MAC applied for a three-year funding agreement, informed by ACE's new 10-year strategy 'Let's Create' that underpins their vision and

investment decisions until 2033. In October 2022 we were informed by ACE that we had been successfully awarded an annual grant of £752,746 (this represents a standstill figure since 2008). The new agreement started on 1st April 2023.

Birmingham City Council (BCC)

We do not receive any grant or investment from the culture or arts department of the local authority. We have a formal agreement until 2028 with BCC to share income derived from Cannon Hill car parking after the deduction of capital costs.

Players of the People's Postcode Lottery (PPL)

In October 2022, we were informed that we had received an incredible uplift from £350,000 to £600,000 and the annual grant at this level has now been confirmed until December 2025. The support of PPL is invaluable, with their investment largely directed towards MAC's community programmes and family work.

Transforming MAC

MAC received £150,000 from Arts Council England's Capital Investment Programme to renovate MAC's Music Rooms.

Let's Make Some Noise

Awarded £225,000 from Youth Music to support MAC's award-winning MAC Makes Music programme over the next 3 years (2023-26).

Celebrating Communities

Received £10,700 from DCMS and Department of Levelling Up's Windrush Grant Scheme and further investment from Birmingham 2022 Festival Grant of £10,000 to present John Akomfrah's *Unfinished Conversation* exhibition.

New Perspectives

The Saintbury Trust and The Grimmitt Trust, in memory of Marjorie Welch, both supported MAC's exhibitions centred around female voice, well-being and mental health with £10,000 each.

Corporate Support

Eversheds Sutherland LLP

Continuing a three-year partnership at £7,500 per annum to enhance MAC's vital learning and community programme. Further in-kind support is provided by the exceptional team at Eversheds with legal advice pertaining to all aspects of the Charity and Trading arms.

Corkfield x PATRIZIA

Secured a £25,000 sponsorship for *Grayson's Art Club: The Exhibition* from PATRIZIA x Corkfield.

Individual Giving

In 2022/23, generous audience and visitor donations totalled £38,785.

Income from Activities (Ticketing)

Our pricing policy (introduced in 2019) continued to reflect our strategy of enabling all within our community, whatever their means, to take part in our activities, to participate in learning activities and attend our events. All our exhibitions are free entry, however more recently we have introduced a new method of pay-what-you-can for *Grayson's Art Club: The Exhibition*. Although we raised substantial income, we are aware that cost is a barrier to preventing

some lower income audiences from attending. We will consider charging a minimal ticket entrance (average £6) for some 'blockbuster' exhibitions in the future but will manage this very carefully with access to opportunities.

Overall, full ticket prices to our live performances and cinema/live event screenings ranged from £7.50 to £22 (or up to £30 for high-profile events). To improve access and to reward MAC's loyal/early bookers, we continued to honour our commitment to making at least 10% of all our tickets available for £10 or less, with additional concessions for under 16s and complimentary tickets for companions/carers.

Tickets for MAC's learning and participation programme continued to span a broad range of options, from £30-£200, according to the length and nature of the course. We offered a 'Save-A-Space Scheme' that allows customers to pay for their tickets in instalments to make it more convenient for budgeting. We also offered free, high-quality learning activities for children, young people and families in our public and learning spaces. We continue to fundraise to help make our activities affordable and within the reach of those most in need.

Trading Activities

Our trading activities include our onsite catering (the café KILN, express tills and bar), together with our events hire business and retail activities.

Pre-pandemic MAC's trading operations contributed around £600k per annum to the Charity by means of a management charge and gift aided profit. In 2022/23 the contribution almost reached the pre-pandemic level, at £552k; stronger than originally expected and achieved despite the challenges of the cost-of-living crisis and inflationary pressures on supply costs.

We saw an increase in footfall from a popular artistic programme and more casual users from Cannon Hill Park. In addition, there were retail sales of Grayson Perry exhibition items and a special catering offer of afternoon teas.

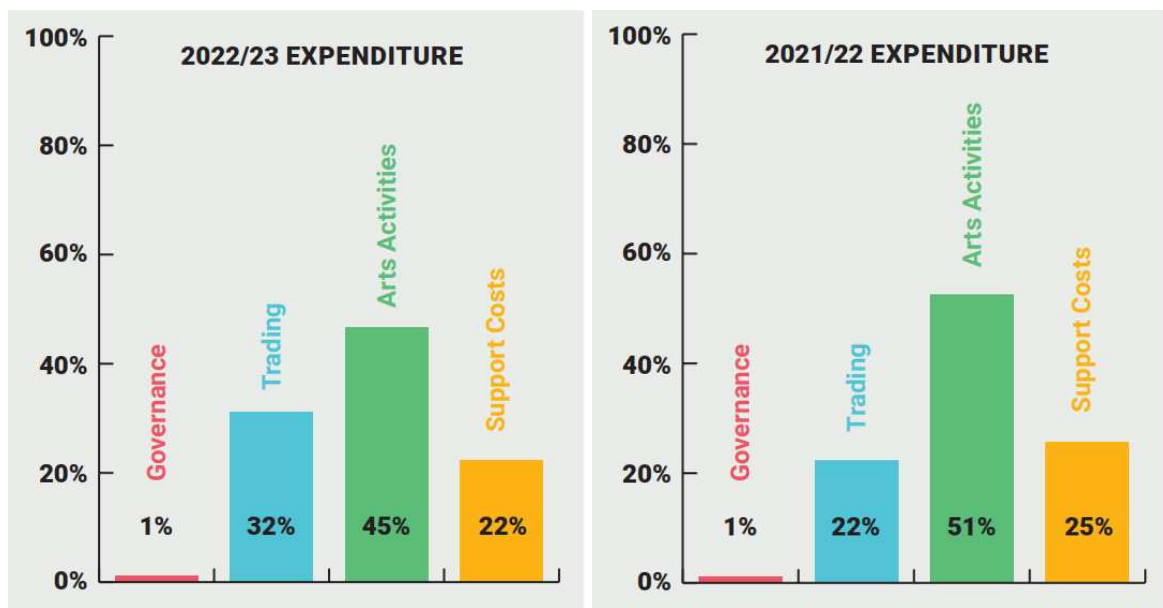
Events Hire has long been an important source of earned income, promoting the distinction of our artistic programme and venue as a unique setting. It has bounced back quickly post pandemic and also contributes to catering incomes.

As we move forward into 2023/24 we will continue to maximise creative, social and income generation opportunities throughout the premises and café space with greater strategic push. There will be in the future a greater emphasis on pursuing cross department opportunities with ticket sales (post conference shows) and evening catering.

How We Spent Our Money

Following MAC's reopening after lockdown, front line activity has increased. This is reflected in both our income and in our expenditure. As a proportion of overall costs, expenditure on Trading items (catering costs, retail items, etc) has significantly increased, with costs up 75% year on year. As would be expected, the largest block of expenditure is on arts activities (including salary costs), at 45% of total expenditure. The dropping of COVID-related restrictions has meant that Arts Activities costs increased more slowly (9% higher than 2021/22) than the related revenue growth. Similarly support costs increased only slightly despite inflationary pressures.

The single largest expenditure item for MAC is wages and salaries, which represent 50% of total expenditure.



The Impact We Have Had

In 2022/23:

- 44,094 people took part in courses and classes
- 15,787 people attended free community events
- We employed 765 artists
- 33,000 viewed the Grayson Perry exhibition
- Over 800,000 people visited MAC

Public Benefit

MAC's benefit to the public is wide-reaching. Our services ensure the public have a positive and active relationship to art and that there is a robust participation model in place that encourages collaboration and skill-based learning throughout our work. Moreover, we support artists through training and paid employment to participate with communities in a way that feels relevant to their everyday lives.

In reviewing its objectives and planning its activities, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging. The Board of MAC and its staff have continued to hold its business plan under review, honing future plans in the light of operational experience, future public investment prospects and the strategic context for its future activities.

MAC relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the Board gives very careful consideration to the accessibility of the centre for those on low income and those with particular needs.

MAC's venue continues to enable an increasingly wide range of arts, learning and participation activities and provides a base for substantial outreach activities through touring and community engagement, especially in communities with little access to arts participation. These activities are designed to meet the interests of all, and embrace specific strands for children, young people, families and people with disabilities. MAC places a firm emphasis on equality of access and the celebration of intercultural activities in a youthful and diverse city.

Communications & Digital Engagement

We continue to see high levels of engagement with MAC through our social media and other communication channels. We continue to evolve our delivery and practices in line with new developments.

Particular highlights include:

- Our website received 527k visitors (up 98% from 2021/22) with 4.1 million website views (up 84% from last financial year) and user engagement of 3.2m (up 84%). Thanks to our enhanced social media campaigns, we saw a 104% increase in referrals to the website via social media.
- We had 1129 articles/items of press coverage, with an £8.6 million advertising value equivalent and £21.5 million PR value.
- We produced 184 e-newsletters across performance, cinema, family and special events highlights; 1.5k social media posts, features, shares and stories; and had 30+ news articles/blogs published.

- We have 16.2k Instagram followers, 25k Facebook followers and 83.2k Twitter followers and had 45.7k views on our YouTube channel. The most popular films on YouTube were the family performance trailers, our monthly cinema highlights trailers, and artist interviews (Hannah Middleton and Caroline Walker).
- We launched our TikTok account with 6,799 views to date.
- On the Grayson Art Club on sale date we had 7,865 website visitors (almost 4 times the average regular user amount).

Our environmental impact

Rooted in our local economy and communities, we are committed to ensuring our work has a minimal impact on the environment and actively promotes sustainable ways of working.

Our Green Champions group are staff volunteers who meet regularly to discuss how to make MAC more sustainable. Throughout the year our Green Champions delivered against our Environmental Policy and Action Plan achieving the following key highlights:

- A significant investment was made to change 391 lights from compact fluorescent to LED. This is predicted to save 29,000 kWh per year.
- We installed sensor taps in our main toilets resulting in both water and gas savings.
- We installed a drinking fountain in the foyer area for customer refills and introduced a 25% discount on hot drinks for customers bringing their own reusable cup.
- Over Summer 2022 we ran a sustainable travel campaign to encourage audiences to consider alternatives to car travel and took part in the Act Green survey which gave us vital information on how important the environment is to our audiences.
- We reviewed the climate control strategy for the Main Gallery so that air handling only runs continuously when the exhibition specifically requires it and this has saved a significant amount of energy.
- We developed a short Carbon Awareness course made available to all staff and time is given to all members of the Green Champions group to complete accredited Carbon Literacy training.

Our Plans for Next Year

As we look ahead into 2023/24, we celebrate the 150-year anniversary of Cannon Hill Park. This is an excellent time to promote our special relationship with the environment and our leading voice in climate justice work. A major aim is to stimulate partnership working with our direct neighbours and we are delighted that MAC is collaborating with Edgbaston Cricket Stadium and Corkfield x PATRIZIA to present Pollution Pods by Michael Pinsky. This impressive, immersive installation invites the public to engage directly with climate issues. Through initiatives such as these we are keen to promote the Edgbaston area as a viable destination and green alternative to the city centre particularly around the sustainability agenda.

The Grayson's Art Club exhibition attracted large numbers of new audiences to MAC and contributed significantly to ticket income and secondary spend. Building on from this wide appeal, we have secured several forthcoming prestigious national exhibitions with partners such as the Design Museum and Southbank Touring. The exhibitions confirmed for 2023/24 and further into 2024/25 include Motherhood; Waste Age: What Can Design Do? and The Offbeat Sari. These exhibitions secure MAC's reputation for presenting the highest quality art in the region and reinforces our strategic aims namely - championing the environment, women's voice and South Asian culture.

Whilst we keenly promote the talents of our local community, we also are proud of new high-profile relationships nationally with Southbank Centre and Apple as part of the REFRAME project to which MAC is a key partner working with seven local schools to support young people through innovative digital opportunities.

Championing disability is a major focus of our work in the forthcoming years, in relation to recruitment of our workforce, artistic programme and capital development. In respect to 2023/24 we have successfully secured notable grants, these include: Art Fund Reimagine: £35,500 for workforce development, DASH: Disabled curator £35,000 and BFI: £60,000 for audience engagement. Alongside this a new post of Public Health Researcher paid for by BCC (£30,000) will also be based at MAC and sit within the arts team, with a focus on highlighting the positive benefit of creativity on mental health and disability.

Capital work continues with the refurbishment of the outside terrace area. This will provide greater security with the instalment of the art fence, but also the opportunity to engage visitors with improved catering and creative events.

As a charity MAC works tirelessly to support communities many of whom are affected by the impact of the cost-of-living crisis including artists and our own workforce. We continue to be vigilant in our planning and decision making with Board regularly reviewing ticketing, menu costs and our free arts offer to ensure we are genuinely supporting those we serve.

The cost-of-living crisis and inflationary pressures will inevitably impact our cost base and our ability to raise income. Our plans remain ambitious but we are not complacent and regularly monitor our finances to ensure we remain on track.

Our People and Organisation

MAC's staff are our most valuable asset and the key means by which we can achieve our objectives.

Equality, Diversity, and Inclusion

As of 31 March 2023 representation of women in our total workforce was 54%. In 2022/23 our senior leadership team comprised five women. The percentage of staff from the global majority was 26% of the total workforce and 7% of our workforce identified as disabled or living with a long-term health condition.

MAC is an organisation committed to embracing and exploring diversity in its mission to provide a gateway connecting people with the arts. We understand that if MAC is to play a relevant and important role in Birmingham, our staff and our programmes need to be reflective and representative of the diversity within the city that we serve, responding to the interests and cultures of those who live and work here. MAC is proactive in its approach to diversity and inclusion and our equality and diversity action plan is an active tool that enables effective strategic approach and monitoring by staff and Board. At the heart of our approach is a commitment to valuing diversity, treating people with dignity and respect, eliminating discrimination and promoting social cohesion through our organisation and artistic programme.

Throughout the organisation from Board level to all staff teams we will commit financially to resources, training and opportunities to assess and meet measurable targets to ensure progress. We aim for a future where there are no barriers – perceived or real – for individuals to engage with and be a part of MAC, as a member of the workforce, board, volunteer, audience member, participant or artist.

Disability Confident

MAC undertook the process of becoming a level 2 disability confident employer. This involved auditing how well MAC was recruiting in a fair and accessible manner, and how well MAC was keeping and developing our staff with disabilities.

We recognise that we have more work to do to increase representation of disabled people within our workforce and we will put in place a workplan to work towards the Government's Disability Confident Scheme Level 3 (Leader) which will put us in a strong position to attract and retain disabled employees. We will use this workplan to help us diversify our recruitment strategies and implement flexible working and reasonable adjustments to support and retain disabled employees. We will also ensure that all our staff receive Disability Equality and Anti-Ableist training.

Staff Wellbeing

MAC understands the positive impact that healthy and engaged employees make to the success of the organisation and have pledged to provide ongoing support and help for employees experiencing mental health concerns. In support of our aim for a healthy and engaged workforce MAC has:

- Implemented a Well-being and Mental Health at Work Policy to raise awareness and encourage staff to be proactive in support of their wellbeing.
- An open-door policy to encourage employees to raise any concerns about their health with their line manager or other member of the management team.

- Carried out mental health awareness training for line managers.
- Trained several members of staff in mental health first aid.
- Provided access to an employee assistance programme where employees may discuss any concerns they have with trained counsellors.

MAC's HR Committee regularly receive reports on staff health and wellbeing and monitor this at Board level.

Remuneration Policy

The Board of Trustees has overall responsibility for MAC's pay policy and for the salaries of executive directors. The HR Committee oversee the annual pay review process within the budget agreed by the Board. Our policy is to pay rates which are competitive - recognising the difference between charitable and trading activity, we compare the salaries we offer against charitable and commercial sectors as appropriate and undertake regular benchmarking exercises.

Safeguarding

At MAC safeguarding does not just apply to those we support through our activities, but to our staff and volunteers as well and this is reflected in the range of safeguarding issues that we provide support with. Our safeguarding policy is owned and agreed by our Board of Trustees and safeguarding is a fundamental part of MAC's work. We audit our safeguarding work and seek continuous development of our safeguarding approaches.

The Future

We are reviewing our values for the organisation which will represent how we treat each other as colleagues and how we work with communities to deliver our objective of arts for all. We will engage our Staff Forum representatives to help us with this work to ensure our values fully represent the workforce of the organisation.

We are committed to becoming a Living Wage accredited employer and will continue our work towards this with the Board monitoring progression over time and within the parameters of affordability.

We're committed to creating and maintaining a positive high performing work environment and will roll out a staff engagement survey that will help us prioritise the interests of staff, particularly training and review of benefits. We will appoint an executive lead to oversee areas of improvement with a task and finish group to take forward work and involve as many of our staff as possible.

Financial Review

As has been discussed elsewhere in this report, MAC's first full year since reopening was a successful one.

Total income increased from £4.6m to £5.7m, a 24% increase, as arts activities resumed their normal patterns and trading operations improved. Of this, approximately £200k can be directly attributed to the visitors to the Grayson Perry exhibition, in the form of donations and associated spend. Further information on MAC's income can be found in 'How We Funded Our Activities'.

The overall deficit in the year of £204,302 (2022: surplus £77,653) included an exceptional charge of £415,864 relating to the exit from MAC's historic pension scheme. Excluding this, the surplus would have been £211,562. Further information on MAC's cost base can be found in 'How We Spent Our Money'.

During the year, it became possible to buy out the historic liability associated with the defined benefit pension scheme. This scheme had long been one of MAC's key risks and had been requiring additional contributions of some £100k per annum. The treatment of this buy-out is explained further in note 23 to the accounts. The total cost of exit was £885k and this was funded from MAC's sustainability fund.

A total of £395k was spent in 2022/23 on capital expenditure, of which £221k related to the redevelopment of the music studios.

Investment Policy

In formulating an investment policy, MAC has historically recognised that whilst it may have surplus funds to invest, these are likely to be called upon in the short to medium term. The policy has to date been to hold investments in liquid funds, so they are available to meet predicted cash-flow needs. In selecting suitable cash deposits, the policy is to maximise the return and maintain low transaction costs, whilst ensuring high levels of capital security by minimising credit risk and minimising interest rate risk.

Deposits and interest rates are reviewed regularly by the Finance and Governance Sub-Committee. As a result of this review, it was decided to investigate a more sophisticated approach to managing MAC's surplus funds. During 2022/23, a robust process was undertaken to select suitable investment managers to work with MAC and advise on longer term investments. Quilter Cheviot were selected, though no investment has yet been made. Similarly, Flagstone cash management platform is to be used for short- and medium-term deposits from mid-2023/24.

The policy is reviewed on an annual basis.

Reserves Policy

The reserves of the charity are divided into restricted funds and unrestricted funds in accordance with charity legislation.

The restricted fund represents money given to MAC for specific capital and project work within the overall aims of the organisation. The funds are analysed between capital and projects, as set out in notes 15 and 16 to the accounts. Grants and donations received for capital purposes are accounted for as restricted funds and depreciation of the underlying

fixed assets is charged to these funds over their lifetime. Project funds will usually be spent in full within 5 years. The balance on the long-term capital funds represents funds received from donors towards the MAC/Sampad Building Project and for the purchase of fixed assets, less the depreciation charged on an annual basis. Over time these reserves will reduce to zero as the assets are fully depreciated.

The balance on restricted funds as of 31 March 2023 of £3,684,256 includes a balance of £1,888,948 in respect of the capital redevelopment project and other capital projects and £1,239,987 of grants and donations received in respect of specific arts projects. These grants and donations include sums from a range of supporters towards future commissions, productions, co-productions, exhibitions, and events as part of MAC's longer-range artistic programme.

Additionally, MAC has now established a "MAC sustainability fund", currently holding £555,321 for the purpose of ensuring the long-term continuation of the charity. This fund was previously entitled the endowment fund and is earmarked to support MAC going forwards by underpinning both MAC's operational needs and future capital projects.

Designated Funds

A designated fund was agreed for 2023/24 of £300,000 to ensure the fabric of MAC's building can be maintained in good order for at least the next two years.

Unrestricted Funds

The unrestricted reserves figure (excluding designated funds identified above) of £729,574 has been reviewed by the Trustees. They have determined, on the basis of detailed budget and financial planning through to the end of the 2023/24 financial year that this level is adequate to maintain financial stability.

MAC's policy is to hold an amount equivalent to at least two months of budgeted expenditure in unrestricted reserves. This recognises that significant risks remain around cost of goods and services rising and the economic environment. Unrestricted reserves were 2.1 months of budgeted expenditure at the year end.

Going Concern

The Trustees have considered the effect of any further disruption from the pandemic and of other external pressures such as the cost-of-living crisis and inflation. Having assessed how these factors impact the going concern position, they believe the charity will continue to operate for a period of at least 12 months from the date of signing these accounts. In coming to this opinion, they have taken into account:

- The strong level of funding already confirmed until financial year 2025/26 with key partners; Arts Council England, Players of the People's Postcode Lottery and Youth Music.
- The continued support from major trusts and foundations.
- The strong cash balances and good level of reserves, enough of which are unrestricted and available to absorb short-term deficits, if required.
- The charitable company's business plans and operating basis.

All these factors allow the Trustees to be satisfied that the charitable company remains a going concern, and as such, the financial statements have been prepared on a going concern basis.

Managing Our Risks

We are committed to sustaining a confident and skilled organisation and providing the best possible creative environment in which to develop our work at MAC. We regularly monitor risks to enable the successful delivery of our artistic programme and use a range of self-assessment tools, external evaluation and peer review to help us ensure our work reaches our own high standards, supporting excellence whilst ensuring the widest possible participation and engagement.

The Trustees have overall responsibility for the management of risk within the organisation and regularly assess the risks to which we may be exposed. A risk register identifies those risks and assigns specific actions and responsibilities for mitigating them. The risk management process is ongoing and is regularly updated by the senior management team and reviewed by the Trustees. The Trustees maintain a watchful eye on financial, reputational and operational risks, efficiency, streamlining operations, processes and practices, to achieve the best and fairest use of our financial and human resources.

The internal systems are designed to meet MAC's particular needs and the risks to which we are exposed, to manage those risks and to provide reasonable assurance that mitigation plans are realistic and likely to be effective going forward. The Finance & Governance Sub-Committee advises Trustees on budgetary controls, recommends steps to ensure financial viability of the organisation, monitoring the receipt of income for both revenue and capital expenditure.

In the following table are the top risks for the organisation and our mitigations to manage these.

Risk	Mitigation and Actions
FINANCIAL	
MAC Trading does not meet expected targets; is not fit for purpose or not profitable enough to support the charity programme; inflationary pressure impacts on margins; problems with supply chain in catering of some products limit offer.	Full detailed Risk Register for all Trading Activities updated and monitored by the MAC Trading Board with mitigation measures in place to ensure MAC Trading activities remain profitable in order to support the charity.
Cost of Living Crisis: Growing inflation and the cost-of-living crisis will affect the Trading offer (ability to buy raw materials) and customer spend (across arts and trading). Fuel increases expected to continue to rise and may not be able to reduce consumption to mitigate.	Vigilant to changes in the market, strong cost control on produce, good relationship with suppliers, willingness to adapt the menu, survey audiences, regular financial monitoring e.g. to understand audience spend. Building management system used to analyse and look for areas where energy reduction can be implemented. Change of lighting to LED and more control over use of air handling in gallery to reduce energy consumption.
STAFFING	
Inflation and the cost-of-living crisis impacting on financial wellbeing of staff and causing additional stress and pressure, impacting staff mental health and physical well-being increasing sickness as a result. Overall risk for the organisation of increasing costs (salaries, support packages, recruitment, sickness absence) and lowered productivity.	Board regularly review and benchmark salaries and staff benefits to ensure in line with market; regular signposting to employee assistance programme for all staff; health and wellbeing policy in place; training managers to look for signs of any mental health concerns; Board oversight with KPIs developed to monitor impact of cost-of-living.

Governance, Reference and Administrative Information

Midlands Arts Centre is a registered charity constituted as a company limited by guarantee (registered charity number 528979 and registered company number 00718349).

MAC is governed by a Memorandum and Articles of Association which sets out its charitable object:

the promotion of, education in, and appreciation of, the arts.

MAC's mission is to promote innovative, creative arts activities in ways which help to establish them as an important part of people's lives. MAC's principal objectives are to encourage as many people as possible to:

- explore, examine and enjoy the arts activities of others; and
- participate in, and undertake, their own arts activities.

Governance Priorities

During 2022-23 we focused on the following areas:

- Board structure and renewal (including Chair setting terms for Trustees)
- A fresh, more diverse recruitment process for attracting new Trustees
- Self-assessment and governance priorities setting and Trustee appraisals
- Ensuring governance is a standing item on the agenda of the Finance & Governance subcommittee.

Board of Trustees

Our Board of Trustees, who are also Directors of the Charity for the purposes of the Companies Act, have overall responsibility for the strategy, management, and control of MAC. They are non-executive and unpaid. Our Chief Executive, working with the Executive Team, is responsible for delivering the Board's vision and strategy and for the day-to-day operations. The Board seeks to support the Executive in a culture of mutual confidence and trust.

As of 31 March 2023, the Board was made up of 15 Trustees.

Our Articles allow for between 4 and 15 Trustees. In addition, Birmingham City Council (BCC) may appoint up to 3 members of the Board. Nominees appointed by BCC are subject to their appointment process and the guidelines on appointments to public office as they apply to Local Government nominees.

The Chair and Vice-Chair(s) are elected by the Board from among their number.

All Trustees are required to demonstrate that they meet the skills needed, which are set out in the role profile. Appointments are led by the Nominations Committee which makes recommendations to the Board of Trustees. When recruiting, we consider the

diverse skills and experience needed to govern MAC in the long term, ensuring that the Board is fit for purpose and brings a diversity of different interests and experience.

Appointed Trustees are recruited following external advertisement and their skills and competencies are assessed against the role profile. They serve for an initial term of three years and, subject to review and the approval of the Board of Trustees, may serve for two further periods of three years.

Four new Trustees were appointed during 2022-23 (and a further one Trustee has been appointed during 2023-24 to the date of this report).

All new Trustees are given an induction programme which is tailored to their needs. It will always include meetings with the Chair, Vice-Chair and Chief Executive; review of current business plans, budgets and recent financial performance; and practical information on policies, meetings and structure. Each new Trustee is assigned a 'Board Buddy': an existing Trustee who can support them in their early stages of development. Individual Trustees have regular appraisals with the Chair of the Board; this enables any training and development needs to be identified and addressed.

The Board of Trustees holds an away day at least once a year which provides further opportunities for Trustee development.

The Trustees have overall approval and oversight of the organisation's strategy, plans and budgets and are regularly kept updated on progress against these.

Indemnity insurance is in place.

Charity Governance Code

MAC supports the principles of the Charity Governance Code and we continue to review our practice against the Code's requirements as part of an approach to continuously improving our governance arrangements.

The Chair leads on the governance review action plan that outlines the board development and priorities for the forthcoming period. The Chair is supported by the Chairs of subcommittees and two Vice Chairs.

Board Committees

The MAC Board has established three standing Committees to consider issues in greater depth and to advise the Board. All Committees are accountable to, and report to the Board.

Finance & Governance Sub-Committee

Members: 4 Trustees plus Chair ex officio

Role: To oversee strategic direction of finances and associated activities and to cover issues associated with governance. Act as the board/oversight group to monitor requirements for ACE Investment Principles. Any significant delegated decision making is referred to the full Board.

Meetings are held in advance of each Charity Board meeting and attended by CEO, Head of Finance and Director of Governance and HR.

During 2022-23, it particularly focussed on:

- Impact of the Cost-of-Living crisis on MAC, including detailed analysis of the 2023-24 budget
- Incorporation of governance priority action plan as a standing item on the committee's agenda
- Recruitment of a suitable replacement for the Head of Finance
- Pension scheme withdrawal, as discussed elsewhere in this report
- Development of a draft investment policy and preliminary selection of Quilter Cheviot as MAC's investment managers. This work will continue in 2023-24.
- Selection of a cash management platform: Flagstone. Again, this will continue in 2023-24.

HR Committee

Members: 3 Trustees plus Chair ex officio

Role: To discuss personnel matters where Trustee level decision is required and input into policies relating to personnel.

Meetings are held when required and attended by the Chief Executive and Director of Governance & HR.

During 2022-23, it particularly focussed on:

- Agreement and introduction of Terms of Reference for the HR Committee.
- Support for staff in the Cost-of-Living Crisis, including a one-off payment and increased staff food discount.
- Annual pay award for MAC staff from 1 April 2023 taking into consideration inflation and increase in Government National Minimum/Living Wage.
- Review of MAC's Staff Code of Conduct.
- Introduction of MAC's Recruitment Policy, formalising existing procedures and outlining commitment to EDI.
- Review of Staff Benefits, focussing on pension offer and company sick pay – benchmarking work ongoing into 2023-24.

Nominations Committee

Members: Chairs of Boards, deputy chairs and sub-committee chairs.

Role: To oversee Board membership including recruitment, induction, and allocation of additional roles on the Board.

Meetings are held when required and attended by the Chief Executive and Director of Governance & HR.

During 2022-23, it particularly focussed on:

- Trustee recruitment/succession planning with a particular focus on recruitment of financially experienced Trustees.
- Trading Board recruitment – ongoing into 2023-24
- Chair recruitment
- Review of Trustee induction programmes
- Board self-assessment & skills audit

MAC Trading, our subsidiary company

The Charity's wholly owned subsidiary, Midlands Arts Centre Trading Limited was established to provide catering services, event sales, venue hires and retail activities and operates from the site of its parent company, Midlands Arts Centre.

Directors	Mike Williams (Chair) Guy Owen (retired 21 March 2023) Claire Daniel Martin Leppard Kam Bains (appointed 25 November 2022)

Company Registration Number	03261120

Registered Office	Cannon Hill Park Birmingham B12 9QH

Trustees and Professional Advisers

The following table illustrates the individuals who have served on the Board of Trustees during 2022-23 and key movements in 23-24 to the date of this report.

Trustee	Changes	Committee and Other Responsibilities
Cllr Shabina Bano	Appointed 29 Sep 2022 Resigned 6 Jun 2023	Birmingham City Council representative
Cllr Matt Bennett		Birmingham City Council representative
Gurdip Bhangoo		
Selina Brown	Appointed 26 July 2023	
Letha Charles	Appointed 24 May 2022	F&G Committee
Stephanie Dale		Environment & sustainability
Owen Dutton		Vice-Chair; Nominations Committee
Hardeep Gogna	Appointed 24 May 2022 Resigned 28 Nov 2022	F&G Committee
Daljinder Johal		HR Committee; Health & Safety
Linda Jones		HR Committee
Sharon Lea	Resigned 28 Sep 2023	
Dr Haseena Lockhat		Equality, Diversity & Inclusion
Mary Martin		Chair; Nominations Committee
Louise McCathie		HR Committee (Chair); Nominations Committee
Neil McGowan	Appointed 27 Mar 2023	F&G Committee
Ros Robins	Appointed 26 Jan 2023	Vice-Chair; F&G Committee; Nominations Committee
Linda Saunders	Retired 23 May 2023	F&G Committee
Sue Scholes		F&G Committee (Chair); Nominations Committee
Cllr Martin Straker-Welds	Retired 24 May 2022	
Jonnie Turpie	Retired 29 Sep 2022	Chair
Mike Williams		Trading Board Chair; Safeguarding

Owen Dutton and Stephanie Dale will retire by rotation and, being eligible will offer themselves for re-election at the forthcoming AGM.

Senior Management Team

Deborah Kermode	Chief Executive and Artistic Director
Michelle Smith	Deputy CEO & Director of Commercial (res. 2 June 2022)
Nicola Rowe	Deputy CEO & Director of Commercial (app. 25 July 2022)
Hinal Shah	Finance Director (res. 10 March 2023)
Chris Knight	Interim Finance Director (app. 21 February 2023)
Sally Ann Pennington	Head of Development
Sue Longfils	Director of Governance and HR & Company Secretary (ret. 31 May 2023)
Holly Mulhern	Director of Governance and HR & Company Secretary (app. 28 Apr 2022))

Registered Office

Charity Name:	Midlands Arts Centre
Charity Registration Number:	528979
Company Registration Number:	00718349
Registered and Principal Office	Cannon Hill Park, Birmingham B12 9QH

Professional Advisers

Bankers

HSBC Plc	Shawbrook Bank Ltd
130 New Street	Lutea House
Birmingham	Warley Hill Business Park
B2 4JU	The Drive, Great Warley
	Brentwood
	Essex CM13 3BE

Auditors

Cooper Parry Group Limited
Statutory Auditors
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Investment Advisers

Quilter Cheviot Investment Management
8th Floor, 2 Snowhill
Birmingham
B4 6GA

Statement of Trustees' Responsibilities

The directors (who are also Trustees of Midlands Arts Centre for the purpose of Charity Law) are responsible for preparing the Annual Report, including the Strategic 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of 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 group for that period. In preparing these financial statements, the directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate and proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

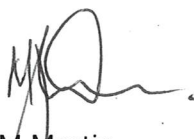
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

As far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By Order of the Board

M Martin
Chair



H Mulhern
Secretary

28 September 2023

Independent Auditor's Report on the Financial Statements to the Members of Midlands Arts Centre

Opinion

We have audited the financial statements of Midlands Arts Centre (the 'parent charitable company') and its subsidiary company (the 'charitable group') for the year ended 31 March 2023 which comprises the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable group's and the parent charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its 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 financial statements section of our report. We are independent of the charitable group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable group's and the 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' Annual 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.

Opinion on other matters prescribed by the Companies Act 2005

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

- the information given in the Trustees' Report, which includes the Strategic Report and 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 Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the charitable group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 31, the Trustees (who are also the Directors of the parent charitable company 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 charitable group's and the parent charitable company'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 charitable group and the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our assessment focused on key laws and regulations the charitable group and the parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable group and the parent charitable company and how the charitable group and the parent charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable group's and the parent charitable company's control environment and how they have applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable group's and the parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

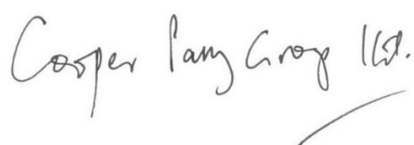
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the parent 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 parent charitable 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 parent charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Simon Atkins', with a horizontal line drawn underneath it.

Simon Atkins, FCA
Senior Statutory Auditor

for and on behalf of
Cooper Parry Group Limited
Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 2 October 2023

MIDLANDS ARTS CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including consolidated Income and Expenditure Account)
for the year ended 31 March 2023

	Notes	Unrestricted funds £	Restricted building project £	Restricted MAC Sustainability Fund £	Other restricted projects £	2023 Total £	2022 Total £
INCOME							
Grants and donations	2	38,046	150,000	-	-	188,046	519,072
Income from charitable activities							
Grants, donations and other income	3	866,277	-	-	1,124,692	1,990,969	2,025,444
Arts activities	4	1,328,910	-	-	-	1,328,910	896,155
Income from other trading activities							
Commercial trading operations	5	1,980,423	-	-	-	1,980,423	1,063,197
Office lettings, hire and recharges		180,746	-	-	-	180,746	65,523
Investment income	2	7,833	-	-	-	7,833	7,120
Total income		<u>4,402,235</u>	<u>150,000</u>	<u>-</u>	<u>1,124,692</u>	<u>5,676,927</u>	<u>4,576,511</u>
EXPENDITURE							
Expenditure of raising funds							
Commercial trading operations	6	1,743,517	-	-	-	1,743,517	996,277
Expenditure on charitable activities							
Small Scale Building Project Cost	6, 15	-	9,828	-	-	9,828	-
Arts activities	6	2,687,545	-	-	1,024,475	3,712,020	3,502,582
Exceptional Item	6, 23	(468,885)	-	884,749	-	415,864	-
Total expenditure		<u>3,962,177</u>	<u>9,828</u>	<u>884,749</u>	<u>1,024,475</u>	<u>5,881,229</u>	<u>4,498,859</u>
Net income for the year		440,058	140,172	(884,749)	100,217	(204,302)	77,653
Transfers between funds		-	-	-	-	-	-
Net movement in funds for the year		440,058	140,172	(884,749)	100,217	(204,302)	77,653
Reconciliation of funds							
Total Fund brought forward		589,516	1,748,776	1,440,070	1,139,770	4,918,132	4,840,479
Total funds carried forward		<u>1,029,574</u>	<u>1,888,948</u>	<u>555,321</u>	<u>1,239,987</u>	<u>4,713,830</u>	<u>4,918,132</u>

All activities of the Group are continuing and there is no difference between the reported result for the year stated above and that on a historical cost basis.

The Group has no recognised gains and losses other than those included in the Consolidated Statement of Financial Activities.

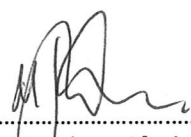
The notes on pages 40 to 59 form part of these financial statements.

MIDLANDS ARTS CENTRE
Company Number 00718349
BALANCE SHEETS
as at 31 March 2023

		Consolidated		Company	
	Notes	2023 £	2022 £	2023 £	2022 £
FIXED ASSETS					
Tangible fixed assets	9	2,404,815	2,087,483	2,404,815	2,087,483
Investment in subsidiary undertaking	10	-	-	100	100
Total Fixed Assets		<u>2,404,815</u>	<u>2,087,483</u>	<u>2,404,915</u>	<u>2,087,583</u>
CURRENT ASSETS					
Stocks	11	59,454	28,185	33,425	-
Debtors	12	421,010	346,905	888,886	469,652
Cash at bank and in hand:					
- unrestricted		677,084	923,311	45,662	734,585
- restricted – projects		1,239,987	1,139,770	1,239,987	1,139,770
- restricted – MAC Sustainability Fund		555,321	1,440,070	555,321	1,440,070
Total Current Assets		<u>2,952,856</u>	<u>3,878,241</u>	<u>2,763,281</u>	<u>3,784,078</u>
LIABILITIES					
Creditors falling due within one year	13	(643,841)	(672,091)	(454,366)	(578,027)
NET CURRENT ASSETS		<u>2,309,015</u>	<u>3,206,150</u>	<u>2,308,915</u>	<u>3,206,050</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,713,830</u>	<u>5,293,633</u>	<u>4,713,830</u>	<u>5,293,633</u>
Pension liability	23	-	(375,502)	-	(375,502)
NET ASSETS		<u>4,713,830</u>	<u>4,918,132</u>	<u>4,713,830</u>	<u>4,918,132</u>
Represented by:					
RESTRICTED FUNDS					
Building Projects	15	1,888,948	1,748,776	1,888,948	1,748,776
MAC Sustainability Fund	15	555,321	1,440,070	555,321	1,440,070
Other	15	1,239,987	1,139,770	1,239,987	1,139,770
UNRESTRICTED FUNDS					
General Funds	17	729,574	685,056	729,574	685,056
Designated Funds	17	300,000	350,000	300,000	350,000
Pension reserve	17	-	(445,540)	-	(445,540)
		<u>4,713,830</u>	<u>4,918,132</u>	<u>4,713,830</u>	<u>4,918,132</u>

The notes on pages 40 to 59 form part of these financial statements.

The financial statements were approved by the Board of Directors on 28 September 2023 and signed on its behalf by:



M Martin – Chair

MIDLANDS ARTS CENTRE
CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 March 2023

	Notes	2023 £	2022 £
Reconciliation of net incoming/(outgoing) resources to net cash flow from operating activities			
Net (outgoing)/incoming resources		(204,302)	77,653
Depreciation charges		77,986	80,319
Net interest		(7,833)	(7,120)
Increase in stocks		(31,269)	(4,309)
Increase in debtors		(74,105)	(135,103)
Decrease in creditors		(403,751)	(1,177,520)
Net cash outflow from operating activities		<u>(643,274)</u>	<u>(1,166,081)</u>
CASH FLOW STATEMENT			
Net cash outflow from operating activities		(643,274)	(1,166,081)
Returns on investments and servicing finance	(a)	7,833	7,120
Capital expenditure		(395,318)	(198,240)
Decrease in cash	(b)	<u>(1,030,759)</u>	<u>(1,357,201)</u>

The notes on pages 40 to 59 form part of these financial statements.

MIDLANDS ARTS CENTRE
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2023

(a) <u>Returns on investment and servicing of finance</u>			
	2023	2022	
	£	£	
Interest received	<u>7,833</u>	<u>7,120</u>	
(b) <u>Decrease in cash</u>			
	2023	2022	
	£	£	
Balance at 1 April 2022	3,503,151	4,860,352	
Net cash flow (note c)	<u>(1,030,759)</u>	<u>(1,357,201)</u>	
Balance at 31 March 2023	<u><u>2,472,392</u></u>	<u><u>3,503,151</u></u>	
(c) <u>Reconciliation of net cash flow to movements in net funds</u>			
		£	
Decrease in cash during year being change in net funds		(1,030,759)	
Net funds at 1 April 2022		<u>3,503,151</u>	
Net funds at 31 March 2023		<u><u>2,472,392</u></u>	
(d) <u>Analysis of changes in net funds</u>			
	At 1 April	Cash	At 31 March
	2022	flows	2023
	£	£	£
Cash at bank	<u>3,503,151</u>	<u>(1,030,759)</u>	<u>2,472,392</u>

Notes to the Financial Statements for the Year Ended 31 March 2023

1. Accounting Policies

The principal accounting policies adopted, judgement and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

Midlands Arts Centre is a charitable company limited by guarantee and incorporated in England and Wales under company number 00718349. It is also registered with the Charity Commission for England and Wales under registration number 528979. The registered office is Cannon Hill Park, Birmingham, B12 9QH.

Midlands Arts Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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.

b Basis of Consolidation

The consolidated financial statements consolidate the results of the parent company and of the subsidiary on a line-by-line basis. A separate Statement of Financial Activities and income and expenditure account for the charitable company itself are not presented because advantage has been taken of the exemptions afforded by section 408 of the Companies Act 2006.

c Income

Income from arts activities is included in incoming resources in the period in which the relevant activity takes place. Income is deferred when admission fees are received in advance of the performances or events to which they relate.

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding

entitlement, this income is included in incoming resources of restricted funds when receivable.

Income from commercial trading operations is recognised as earned.

Investment income is included in the financial statements as and when receivable and the amounts shown include taxation recoverable thereon, where applicable.

d Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

e Donated services

Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included as an estimate based on the value of the contribution to the charity.

f Expenditure and irrecoverable VAT

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the café, bar, room hires and their associated support costs.
- Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

All costs are allocated between the expenditure categories of the Consolidated Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

g Fixed Assets, Depreciation and impairment

All assets that are considered to have a useful economic life (UEL) are capitalised and held as tangible fixed assets. All tangible fixed assets are held at cost less accumulated depreciation with the exception of leasehold land and buildings which are held at the value of the lease premium as determined at 31 March 2022.

Depreciation is provided at rates calculated to write off the costs of the asset, less its estimated residual value, over its UEL as follows:

Buildings

The new lease arrangements with Birmingham City Council were agreed in March 2022 and finalised in April 2022. The lease is for 99 years and the intention is to write off the lease premium over the period of the lease.

Short-term leasehold improvements and fixtures, fittings and equipment

Depreciation is being provided on short-term leasehold improvements and fixtures, fittings and equipment other than computers in equal annual instalments over their estimated working life of between 3 to 25 years.

Computers

Depreciation on computers is being provided in equal instalments over an estimated working life of between 3 to 5 years.

Impairment

All long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. In such circumstances the charitable group estimates the future cash flows expected to result from the use of the asset and its disposal and where those are less than the carrying amount an impairment loss is recognised.

h Capital grants

Grants and donations received for capital purposes are accounted for as restricted funds and depreciation of the underlying fixed assets is charged to these funds.

i Stock

Stock is valued at the lower of cost and estimated realisable value.

j Lease rentals

Rentals on operating leases are recognised in the Statement of Financial Activities on a straight-line basis as incurred.

k Pre-production costs

Any costs which are not able to be recycled or resold are written off and are not carried forward to match against production income.

l Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n Pension costs

To meet the requirements of auto-enrolment of staff into a pension scheme, the company offers the NEST pension scheme.

o Going concern

The Trustees have considered the effect of any further disruption from the pandemic and of other external pressures such as the cost-of-living crisis and inflation. Having assessed how these factors may impact the going concern position, they believe the charity will continue to operate for a period of at least 12 months from the date of signing these financial statements. In coming to this conclusion they have taken into account:

- the strong level of funding already secured and confirmed until financial year 2025/26 with key partners; Arts Council England, Players of the People's Postcode Lottery and Youth Music
- The continued support from major trusts and foundations
- The strong cash balances and good level of reserves, enough of which are unrestricted and available to absorb short-term deficits, if required
- The charitable company's business plans and operating basis.

All these factors allow the Trustees to be satisfied that the charitable company remains a going concern, and as such, the financial statements have been prepared on a going concern basis.

p Financial Instruments

MAC only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

Amounts due from MAC's wholly owned subsidiary are held at face value less any impairment.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has

already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

q Critical estimates and significant judgements

The Trustees consider that there are no significant areas of judgement or key assumptions that affect items in the financial statements other than those included within the accounting policies described above.

2. Income from grants and donations

	2023	2022
	£	£
(a) Grants, Donations and other income - unrestricted		
People's Postcode Lottery	-	350,000
Pinsent Masons pro-bono fees	2,600	6,653
Eversheds pro-bono fees	-	7,125
Fundraising and gift aid donations	35,446	16,792
	<u>38,046</u>	<u>380,570</u>
(b) Investment Income		
Unrestricted	7,833	7,120
Restricted	-	-
	<u>7,833</u>	<u>7,120</u>
(c) Small Scale Capital Development - restricted		
Lord Mayor of Birmingham Charity	-	1,000
Lymoges Trust	-	1,500
BHSF	-	534
Arts Council England	150,000	135,468
	<u>150,000</u>	<u>138,502</u>

3. Income from Charitable Activities

(a) Grants, Donations and other income - unrestricted	2023	2022
	£	£
Arts Council England	752,748	752,746
Other Income	113,529	134,224
	<u>866,277</u>	<u>886,970</u>

(b) Grants, Donations and other income - restricted

General Projects - Covid 19 support	2023	2022
	£	£
Arts Council England - Culture Recovery Funds	-	270,574
Job Retention Scheme	-	5,512
Birmingham City Council	-	24,000
BFI	-	3,000
Other	-	11,400
	<u>-</u>	<u>314,486</u>

General Projects - other	2023	2022
	£	£
Arts Council England	56,435	65,471
Spirit of 2012	-	32,144
National Foundation for Youth Music	145,022	165,124
Esmée Fairbairn Foundation	-	35,000
People's Postcode Lottery	600,000	500,000
Anonymous	199,150	-
Other Projects	124,085	26,249
	<u>1,124,692</u>	<u>823,988</u>
Total grants, donations and other income - restricted	<u>1,124,692</u>	<u>1,138,474</u>

4. Income from Arts Activities

	2023	2022
	£	£
Cinema	220,519	158,137
Learning and Participation	660,442	405,762
Visual Arts	99,433	12,309
Productions and Performances	245,828	255,095
Other Income	102,688	64,852
	<u>1,328,910</u>	<u>896,155</u>

All income generated from Arts Activities for the 2023 and 2022 year relates to unrestricted funds.

5. Income from Trading Operations

The charitable company owns 100% of the share capital of Midland Arts Centre Trading Limited which provides catering services, event sales, venue hires and retail activities. The trading results and net asset position of the company for the year ended 31 March 2023 are as follows.

	2023	2022
	£	£
Turnover	2,004,277	1,063,197
Cost of sales	(453,210)	(229,421)
Gross (loss)/profit	<u>1,551,067</u>	<u>833,776</u>
Staff costs	(729,109)	(591,618)
Other operating costs	(210,654)	(150,083)
Transactions with parent company:		
Facility fee payable	(349,992)	-
Technical and customer services support recharged	(59,608)	(3,158)
Covenanted profit transferred under gift aid	(201,704)	(66,920)
Operating (loss)/profit	<u>-</u>	<u>21,997</u>
Tax on profit on ordinary activities	-	-
Retained in subsidiary	<u>-</u>	<u>21,997</u>
The assets and liabilities of the subsidiary at 31 March were:		
Net current assets	<u>100</u>	<u>100</u>
Total net assets	<u>100</u>	<u>100</u>
Aggregate share capital and reserves	<u>100</u>	<u>100</u>

During the year, Midlands Arts Centre Trading Limited made sales of £23,207 (2021: £18,390) to the parent company.

6. Total Expenditure

	Cinema	Learning and participation	Visual Arts	Performing Arts	Designated	Other Restricted Projects	Restricted Building Projects	Trading operations	Exceptional Items	2022/23 Total	2021/22 Total
	£	£	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities											
Staff costs, travel and subsistence	170,595	645,804	155,921	150,819	-	155,403	-	670,376	-	1,948,918	1,706,012
Payments relating to artists	160,149	26,741	55,011	133,706	-	459,341	-	-	-	834,948	710,605
Materials and consumables	6,362	52,096	63,072	2,268	-	66,265	-	540,769	-	730,832	531,834
Communications	10,493	26,025	9,707	9,962	-	1,097	-	-	-	57,284	61,479
IT systems providing direct arts support	-	-	-	-	-	-	-	-	-	-	30,252
Administration	17,191	47,751	13,052	14,138	-	50,831	-	182,379	-	325,341	229,211
Small Scale Building Project Cost	-	-	-	-	-	-	-	-	-	-	-
Total direct costs	364,790	798,417	296,763	310,893	-	732,937	-	1,393,524	-	3,897,323	3,269,394
Support costs allocated to activities											
Premises and services costs	-	-	-	-	-	-	-	-	-	-	6,582
Building running costs	34,836	93,151	31,352	29,923	-	60,286	9,828	71,017	-	330,393	528,086
HR and administration	17,170	45,913	15,453	14,749	-	29,714	-	35,003	-	158,002	43,020
IT & Finance	48,630	130,034	43,766	41,772	-	84,156	-	99,135	-	447,493	196,085
Governance	4,036	10,792	3,632	3,467	-	9,075	-	17,254	-	48,256	39,049
Operations and planning	62,585	167,350	56,325	53,758	7,990	108,306	-	127,583	-	583,897	416,643
Total support costs	167,257	447,240	150,528	143,669	7,990	291,537	9,828	349,992	-	1,568,041	1,229,466
Exceptional Items	-	-	-	-	-	-	-	-	415,864	415,864	-
Total costs - 2022-23	532,047	1,245,657	447,291	454,562	7,990	1,024,474	9,828	1,743,516	415,864	5,881,229	-
Total costs - 2021-22	353,335	855,953	328,819	638,550	-	1,325,925	-	996,277	-	-	4,498,859

£1,919,052 (2022: £1,325,925) of the above costs were attributable to restricted funds. £3,962,177 (2022: £3,172,934) of the above costs were attributable to restricted funds.

Except for where costs can be directly allocated to activity headings, the method of apportionment of costs to activity headings is based, mostly, on activity levels. Actual income generated in the year has been used to indicate levels of activity.

7. Charitable Expenditure

Expenditure includes:	2023 £	2022 £
Auditors' remuneration		
- in respect of audit of the Charity	21,580	12,550
- in respect of audit of the Charity's subsidiary company	4,825	2,750
- for specialist advice (all parent Charity)	6,125	11,565
Depreciation – owned assets	<u>77,986</u>	<u>80,319</u>

8. Staff Costs

The aggregate staff costs of the charitable group were:

	2023 £	2022 £
Wages and salaries	2,506,655	2,027,237
Social security costs	180,685	132,496
Pension costs	<u>43,505</u>	<u>36,872</u>
	<u>2,730,845</u>	<u>2,196,605</u>

Holiday pay of £9,711 (2022: £6,498) is included in provisions.

The charity contributed to the Pension Scheme for Administrative and Technical Staff in the Arts during the year, which is a defined benefit scheme. This scheme is closed to new members and in March 2023 the charity exited from the scheme (refer to note 23 for further details). The company has also established a defined contributed scheme with NEST.

Higher Paid Staff

	2023 Number	2022 Number
The number of employees whose remuneration fell within the band £70,000 to £79,999	<u>1</u>	<u>1</u>

No other employees were paid remuneration of more than £60,000 in current or previous year.

Trustees' and key management personnel remuneration and expenses

No trustee received reimbursed expenses during the year. (2022: £Nil)

The total amount of employee benefits received by key management personnel is £259,066 (2022: £261,664). Key management personnel are set out on page 30 of this report.

Average number of employees

The average number of employees in the year was as follows:

	2023 Number	2022 Number
Business and administration staff – Full time	30	28
Business and administration staff – Part time	48	57
Arts team – Full time	5	5
Arts team – Part time	59	68
Catering, bar and events staff - Full time	18	55
Catering, bar and events staff - Part time	36	n/a
	<u>196</u>	<u>213</u>

Until 2023, catering, bar and events staff were not analysed between full and part time.

9. Tangible Fixed Assets

Consolidated and Company	Leasehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2022	973,000	1,164,374	483,533	169,398	2,790,305
Additions	-	288,720	95,449	11,148	395,317
Disposals	-	-	-	-	-
At 31 March 2023	<u>973,000</u>	<u>1,453,094</u>	<u>578,982</u>	<u>180,546</u>	<u>3,185,622</u>
Depreciation					
At 1 April 2022	-	126,915	431,886	144,020	702,821
Charge for year	9,828	29,223	25,837	13,098	77,986
Disposals	-	-	-	-	-
At 31 March 2023	<u>9,828</u>	<u>156,138</u>	<u>457,723</u>	<u>157,118</u>	<u>780,807</u>
Net book values					
At 31 March 2023	<u>963,172</u>	<u>1,296,956</u>	<u>121,259</u>	<u>23,428</u>	<u>2,404,815</u>
At 31 March 2022	<u>973,000</u>	<u>1,037,460</u>	<u>51,645</u>	<u>25,378</u>	<u>2,087,483</u>

10. Investment in Subsidiary Undertaking

The company owns 100% of the issued share capital of Midlands Arts Centre Trading Limited, a company registered in England and Wales, and whose principal activity is the provision of catering services, event sales and hire. The results and financial position of the subsidiary undertaking are set out in note 5.

11. Stock

	Consolidated		Company	
	2023	2022	2023	2022
	£	£	£	£
Catering and bar stocks	16,634	15,853	-	-
Retail Stock	42,820	12,332	33,425	-
	<u>59,454</u>	<u>28,185</u>	<u>33,425</u>	<u>-</u>

12. Debtors

	Consolidated		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year				
Due from subsidiary undertaking	-	-	435,134	214,994
Other debtors	148,783	119,782	49,067	31,986
VAT repayable	-	-	140,971	-
Prepayments	73,222	101,573	72,449	97,122
Accrued income	199,005	125,551	191,265	125,551
	<u>421,010</u>	<u>346,905</u>	<u>888,886</u>	<u>469,652</u>

13. Creditors

	Consolidated		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year				
Trade creditors	207,376	201,903	125,644	133,612
VAT, other taxation and social security	81,654	23,971	-	23,971
Other creditors	48,336	33,223	48,336	33,223
Accruals	116,517	120,933	93,102	104,447
Deferred income	189,958	198,676	187,284	189,391
Pension liability	-	93,384	-	93,384
	<u>643,841</u>	<u>672,091</u>	<u>454,366</u>	<u>578,027</u>

14. Operating Lease Commitments

The total minimum lease payments due by the charitable company at 31 March 2023 in respect of non-cancellable operating leases are as follows:

	Consolidated		Company	
	Other operating leases		Other operating leases	
	2023	2022	2023	2022
	£	£	£	£
Within one year	12,752	11,883	12,752	11,883
Within one and two years	4,445	15,009	4,445	15,009
Within two to five years	6,668	5,346	6,668	5,346
	<u>23,865</u>	<u>32,238</u>	<u>23,865</u>	<u>32,238</u>

15. Restricted Funds (Charity and Group)

	Capital Development £	Small Scale Capital Development Project £	MAC Sustainability Fund £	Projects (note 16) £	Total £
At 1 April 2022	973,000	775,776	1,440,070	1,139,770	4,328,616
Incoming resources					
Incoming resources (note 2,3)	-	150,000	-	1,124,692	1,274,692
Resources expended					
Amortisation	(9,828)	-	-	-	(9,828)
Arts activities	-	-	-	(1,024,475)	(1,024,475)
Exceptional Item	-	-	(884,749)	-	(884,749)
Transfers	-	-	-	-	-
At 31 March 2023	<u>963,172</u>	<u>925,776</u>	<u>555,321</u>	<u>1,239,987</u>	<u>3,684,256</u>

The Capital Development Fund matches the lease premium (notional value) of the 99 year lease currently held by MAC from Birmingham City Council.

The Small Scale Capital Development Project represents capital grants received for minor capital works.

The MAC Sustainability Fund (previously known as “Endowment Funds”) is available to support MAC in financing any costs of an exceptional nature.

The Restricted Projects comprise restricted funds provided by a large number of donors and funders. They are utilised in accordance with their specific purposes throughout the year.

Comparison to financial year ended 31 March 2022

	Capital Development £	Small Scale Capital Development Project £	Endowment Funds £	Projects £	Total £
At 1 April 2021 (as previously reported)	2,413,070	637,274	-	1,327,221	4,377,565
Prior year restatement	<u>(1,440,070)</u>	<u>-</u>	<u>1,440,070</u>	<u>-</u>	<u>-</u>
At 1 April 2021 (as re-stated)	973,000	637,274	1,440,070	1,327,221	4,377,565
Incoming resources					
Incoming resource	-	138,502	-	1,138,474	1,276,976
Resources expended					
Arts activities	-	-	-	(1,325,925)	(1,325,925)
At 31 March 2022	<u>973,000</u>	<u>775,776</u>	<u>1,440,070</u>	<u>1,139,770</u>	<u>4,328,616</u>

16. Analysis of Restricted Project Funds (Charity and Group)

	1 April 2022 £	Incoming resources £	Resources expended £	31 March 2023 £
National Foundation for Youth Music Youth music inclusion programme working with children and young people in challenging circumstances	54,936	145,022	(125,972)	73,986
Covid - 19 Support funds*	23,453	-	(23,453)	-
Other Projects**	1,061,381	979,670	(875,050)	1,166,001
Total	1,139,770	1,124,692	(1,024,475)	1,239,987

* Refer to note 3 for list of supporters

** Includes sums from a range of supports including The Roughley Trust, The Saintbury Trust, The John Feeney Charitable Trust, The Rowlands Trust, Anonymous Foundation, Spirit of 2012, Film Hub Midlands, The Grimmitt Trust, Southbank Centre, M K Rose Charitable Trust towards commissions, productions, exhibitions and events as part of MAC's longer range artistic programme.

Comparison to financial year ended 31 March 2022

	1 April 2021 £	Incoming resources £	Resources expended £	31 March 2022 £
National Foundation for Youth Music Youth music inclusion programme working with children and young people in challenging circumstances	78,554	165,124	(188,742)	54,936
Covid - 19 Support funds	321,078	314,486	(612,111)	23,453
Other Projects	927,589	658,864	(525,072)	1,061,381
Total	1,327,221	1,138,474	(1,325,925)	1,139,770

17. Unrestricted Funds (Consolidated and Company)

	General Funds £	Designated Funds £	Pension Funds £	Total £
At 1 April 2022	685,056	350,000	(445,540)	589,516
Net incoming resources before transfers	2,508	(7,990)	445,540	440,058
Transfer of funds	42,010	(42,010)	-	-
At 31 March 2023	<u>729,574</u>	<u>300,000</u>	<u>-</u>	<u>1,029,574</u>

The designated funds have been identified by the Directors as being necessary to ensure that MAC's building is maintained to a good standard.

The pension funds reflected the pension deficit associated with MAC's previous defined benefits pension scheme. Further details on the pension scheme are provided in note 23.

Comparison to financial year ended 31 March 2022

	General Funds £	Designated Funds £	Pension Funds £	Total £
At 1 April 2021	413,571	600,000	(550,657)	462,914
Net incoming resources before transfers	254,204	(232,719)	105,117	126,602
Transfer of funds	17,281	(17,281)	-	-
At 31 March 2022	<u>685,056</u>	<u>350,000</u>	<u>(445,540)</u>	<u>589,516</u>

18. Analysis of Group Net Assets Between Funds

	Unrestricted Funds Consolidated £	Restricted Funds Consolidated £	Total Funds £
Fund balances at 31 March 2023 are represented by:			
Fixed assets	515,867	1,888,948	2,404,815
Stock	59,454	-	59,454
Debtors	421,010	-	421,010
Cash at bank and in hand	677,084	1,795,308	2,472,392
Creditors	(643,841)	-	(643,841)
Provisions / Pensions	-	-	-
	<u>1,029,574</u>	<u>3,684,256</u>	<u>4,713,830</u>

Comparison to financial year ended 31 March 2022

	Unrestricted Funds Consolidated £	Restricted Funds Consolidated £	Endowment Funds £	Total Funds £
Fund balances at 31 March 2022 are represented by:				
Fixed assets	338,707	1,748,776	-	2,087,483
Stock	28,185	-	-	28,185
Debtors	346,905	-	-	346,905
Cash at bank and in hand	923,311	1,139,770	1,440,070	3,503,151
Creditors	(672,091)	-	-	(672,091)
Provisions / Pensions	(375,502)	-	-	(375,502)
	<u>589,517</u>	<u>2,888,546</u>	<u>1,440,070</u>	<u>4,918,132</u>

The designated funds within unrestricted funds are represented by cash at bank.

19. Financial Activities of the Charitable Company

The financial activities shown in the consolidated statement of financial activities includes those of the company's wholly owned subsidiary.

A summary of the financial activities undertaken by the parent charitable company is set out below.

	2023 £	2022 £
Gross incoming resources	3,933,410	3,558,238
Total expenditure on charitable activities	(3,673,593)	(3,463,533)
Governance costs	(48,255)	(39,049)
Exceptional Items	(415,864)	-
Net (outgoing)/incoming resources for the year	(204,302)	55,657
Total funds brought forward	4,918,132	4,862,475
Total funds carried forward	<u>4,713,830</u>	<u>4,918,132</u>
Represented by:		
Unrestricted funds	729,574	685,056
Designated funds	300,000	350,000
Restricted funds	3,684,256	4,328,616
Pension funds	-	(445,540)
	<u>4,713,830</u>	<u>4,918,132</u>

20. Other Lease Commitments

The charitable company has the commitment to pay a peppercorn rent expiring after more than 5 years on the leasehold, land, and buildings at Cannon Hill Park.

21. Contingent Liabilities

The charitable company is the representative member of a VAT registration group with its subsidiary company. The parent and subsidiary are jointly and severally liable for any VAT due from the representative member.

22. Tax Status

As a charitable company, Midlands Arts Centre is exempt from tax on income and gains falling within 481 to 489 of the Corporation Taxes Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company. The Trading subsidiary has no profits which are subject to taxation under the Income and Corporation Taxes Act 2010.

23. Pensions

Nest Pension

The Company offers the NEST pension scheme to meet the requirements of auto-enrolment of staff into a pension scheme.

The Pension Scheme for Administration and Technical Staff in the Arts (PSATSA)

This is a multi-employer defined benefit scheme in the UK. The scheme was historically accounted for as a defined contribution scheme by MAC as insufficient information was available for it to be treated as a defined benefit scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme. MAC had previously accounted for their share of the deficit based on the discounted future deficit contributions payable.

In January 2023 the Trustees of MAC served the PSATSA Pension Fund Trustee with formal notice they wished to trigger a section 75 exit from the pension fund. An exit payment of £827,000 together with associated costs of the Pension Fund of £39,890 was subsequently paid to the Pension Fund in March 2023 thereby fully eliminating any liability associated with this historic benefit pension scheme. MAC also incurred legal and advisory fees of £17,829 which brought the total cost of exiting from the Pension Fund to £884,719.

Given the significance of this transaction, which affects multiple elements of the Consolidated Statement of Financial Activities, the Balance Sheet, and the Consolidated Cash Flow Statement, it has been shown as an exceptional item in the Statement of Financial Activities. The net one-off impact of this transaction is an exceptional charge of £415,864 in Statement of Financial Activities for the year ended 31 March 2023. The calculation of this exceptional charge is detailed further below.

PRESENT VALUES OF PROVISION

	2023	2022
	£	£
Present value of provision		
Pension liability due in a year	-	93,384
Pension liability due after a year	-	375,501
Present value of provision	<u>-</u>	<u>468,885</u>

Reconciliation of opening and closing provisions

	Period Ending
	31 March 2023
	£
Provision at start of period	468,885
Deficit contribution paid	(88,437)
Payment of residual liability on exit from the scheme	<u>(380,448)</u>
Provision at end of period	<u>-</u>

Statement of Financial Activities impact

	Period Ending
	31 March 2023
	£
Release of pension liability at the start of the period	(468,885)
Buy-out of pension liability	827,000
Legal fees and other expenses in exiting the scheme	<u>57,749</u>
Amount recognised as an exceptional item	<u>415,864</u>

Assumptions

	31 March 2023	31 March 2022
	% per annum	% per annum
Rate of interest	not applicable	2.4%

24. Members

The charity is incorporated as company limited by guarantee, and in accordance with the memorandum of association of the company, every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are a member, or within one year after they cease to be a member, for the payment of the debts and liabilities of the company contracted before they cease to be a member and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required, not exceeding £1.

The number of members at 31 March 2023 was 18 (2022:15).

25. Related Parties Transactions

A number of trustees of Midlands Arts Centre have interests in organisations which have provided support and funding to the charity in the year. The trustees have considered the disclosure requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102), and of Financial Reporting Standard 102, and consider that the transactions requiring disclosure are as follows:

- a. Linda Jones, Trustee, is a partner of Pinsent Masons LLP, a firm the charity used in the year ending 31 March 2023 for the provision of specialist advice in relation to negotiation of the building lease with Birmingham City Council. Pro-bono fees donated by Pinsent Masons are disclosed in note 2 to the accounts.
- b. Owen Dutton, Trustee is a Legal Director of Eversheds Sutherland, a firm the Charity has a corporate sponsorship arrangement with.

Transactions with the charity's totally owned subsidiary, Midlands Arts Centre Trading Ltd, are disclosed in note 5 to the accounts, and the balances owed to or due from the company are disclosed in note 12.

26. Ultimate Controlling Party

MAC is controlled by its Board of Trustees.

MIDLANDS ARTS CENTRE

England & Wales - Charity number 528979

Accounts

Midlands Arts Centre

A Company Limited by Guarantee

Trading as MAC

Annual Report & Financial Statements For The Year Ended 31 March 2022

Company No: 00718349
Charity No: 528979

Report and Financial Statements for the Year Ended 31 March 2022

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A Snapshot of MAC as we recover from COVID-19



(all figures relate to 2021/22)

Report of the Trustees 2021/22

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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) (effective 1 January 2019).

Chairs' Report

We present our joint report for the year ended 31 March 2022. Unfortunately, Jonnie had to stand aside from August 2021 to focus on unexpected health issues, but has kept in touch throughout the year as Mary has valiantly taken the chair.

MAC re-opened formally to the public on 17 May 2021 after being closed for 14 months. Through enormous hard work and a highly committed workforce, we weathered the COVID-19 crisis and developed a new business model for generating the income that depends on us being open to the public. The priority during the year was to test the model and flex a new framework able to withstand a tumultuous, transitional year as we welcomed visitors and colleagues back to MAC safely and confidently.

Despite the extraordinary challenges we have faced, we remain committed to our mission – 'to promote innovative, creative arts activities in ways that help to establish them in people's lives'. First the pandemic, and now the cost-of-living crisis (with rising inflation, increased fuel prices and external political instability) have raised profound societal and cultural issues: about how communities adapt to the 'new normal'; and the value of inclusivity, wellbeing and creativity in supporting their lives.

The Board commenced a detailed review of our governance in February 2022. This has resulted in the production of a succession plan to ensure the Trustee group is refreshed as Trustees come to the ends of their terms of office by recruiting new Trustees with the appropriate skills. We have started the process of self-assessing our performance as a Board and updating policies and procedures relating to Governance. We are also in the process of refreshing our reports to Board so that we can monitor Key Performance Indicators in the important areas of Finance, Sustainability, Inclusivity and Quality.

Whilst beginning to build up trading income alongside income from our arts activities, we are extremely grateful to our key partners who have provided grants that have covered critical expenditure during this transitional period. We would like to thank colleagues at Department for Culture, Media & Sport, Arts Council England, Garfield Weston Foundation, and Players of the Postcode Lottery for providing lifelines to our organisation. We must also acknowledge the immeasurable support from Birmingham City Council in the development of MAC's endowment that will provide MAC with greater future stability. We have also been hugely grateful for the continued commitment of many valued individuals who signed up to MAC's new membership scheme. In April

2022 we finalised our new lease arrangements with Birmingham City Council (BCC). This sees MAC have a 99-year lease on our current site and a long-term endowment fund of £1.44m. We very much appreciate this long-term commitment by BCC to the future of MAC.

New and established charitable and commercial partnerships have enabled MAC to enhance our diverse public cultural offer. We now have the means and confidence to continue to plan sensibly after this first period of ten and a half months of operation. We look forward to a more positive year in 2022/23 as we celebrate MAC's 60-year anniversary and welcome the terrific opportunities provided by Birmingham's hosting of the Commonwealth Games and its associated cultural programme.

We remain confident in our future, and pursue a strong, clear strategy in line with MAC's charitable objectives. Undoubtedly, our resolve and stability in 2021/22 stemmed from our incredibly passionate and dedicated workforce that worked hard to refurbish our facilities, café, music studio, outdoor theatre and establish a sensory garden for our audiences. Since we have reopened, many colleagues have returned to MAC, which is wonderful, alongside new talented staff to infuse energy and expertise across teams. Our focus is to ensure successful induction and training programmes for everyone to drive MAC forward and serve the public well.

Throughout this challenging period, we have maintained our arts, culture, inclusive community activities and participation opportunities, for the public and artists alike. Our programme has been focused on our community's commonwealth engagement: locally, nationally and internationally. New talent has as always been attracted and supported into our refurbished galleries, theatres, cinema, music and learning studios to ensure we remain a vibrant West Midlands arts centre, constantly renewing ourselves, services, and culture as we look to bounce back.

Finally, we would like to take the opportunity to thank MAC's dedicated Board of Trustees for their expertise. Their oversight and strength have been critical in supporting MAC's survival in these uncertain times. In particular we would like to commend Greg Lowson for his long service on the Board and the many ways he has supported MAC activities. The whole Board thanks Jonnie Turpie for his six years as Chair representing MAC across the West Midlands and beyond.

Jonnie Turpie MBE
Chair of The Trustees

Mary Martin
Acting Chair of Trustees from August 2021

29 September 2022

Our Purposes and Activities

MAC's principal objectives are to encourage as many people as possible to:

"explore, examine and enjoy the arts activities of others; and participate in, and undertake, their own arts activities".

Mission

To promote innovative, creative arts activities in ways which help to establish them as an important part of people's lives.

Vision

Artists and their relationship with audiences are at our heart. Our programmes focus on work exploring new grounds and adopting inter-cultural and inter-disciplinary approaches across a range of art forms and the meeting points in between.

Values

MAC's ethos is based on a set of values which informs the whole of its activities and helps to shape the organisation's work. MAC values the following:

- excellence in artistic practice, that is experimental and strives to engage with audiences;
- helping artists to find their own, unique voice and to forge productive partnerships with other artists and the general public;
- celebrating diversity and strengthening social cohesion;
- offering equal opportunities to everyone whilst recognising the uniqueness of artistic talent;
- increasing the accessibility of the arts and respecting their complexity;
- giving participants and audiences more involvement in activities and introducing them to new challenges and innovations; and
- making the most of the social benefits of the arts and valuing the pleasure people gain from their own individual artistic expression through wellbeing.

Public Benefit

In reviewing its objectives and planning its activities, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging.

The Board of MAC and its staff have continued to hold its business plan under review, honing future plans in the light of operational experience, future public investment prospects and the strategic context for its future activities.

MAC relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the Board gives very careful consideration to the accessibility of the centre for those on low incomes and those with particular needs.

MAC's venue continues to enable an increasingly wide range of arts, learning and participation activities and provides a base for substantial outreach activities through touring and community engagement, especially in communities with little access to arts participation. These activities are designed to meet the interests of all, and embrace specific strands for children, young people, families and people with disabilities. MAC places a firm emphasis on equality of access and the celebration of intercultural activities in a youthful and diverse city.

Achievements and Performance

Artistic Highlights from April 2021 to March 2022

MAC's visitor experience is tied to almost all the venue's activities, as audiences are invited to explore free galleries, visit Kiln café and enjoy our varied ticketed live performances and events. When MAC reopened on 17 May 2021, the priority was to ensure that strict safety measures were taken, in consultation with sector peers and following government guidance, so that visitors felt confident and secure in returning to us. We carefully considered the most appropriate areas of the artistic and participatory programmes that could reopen first, anticipating a phased return into autumn and winter period. Much of our focus during lockdown had been to complete a capital expenditure programme. This allowed us to adapt our building for a post-pandemic environment by refurbishing existing venues such as the Outdoor Theatre, which proved hugely popular with families returning in the summer. Another important priority was to ensure that our artists and creative teams had access to good training and support when re-engaging with the public and to help them to re-adapt to making new work onsite.

Visual Arts

Our free gallery spaces reopened immediately in May 2021, and visitor numbers have been strong. Audience surveys informed us that the public felt safe in MAC's more open and outdoor spaces.

Caroline Walker: Women's Work

This examined the hidden labour of jobs performed by women, such as tailors and chambermaids. During the pandemic we saw the dramatic shift in women's position in the workplace, with their overrepresentation in lower paid sectors (such as retail, hospitality and personal services) making them particularly vulnerable in the labour markets. Many women working in these industries have been unable to work from home, resulting in a disastrous decline in their economic status. Accompanying the exhibition were recorded interviews with some of the women featured, produced by BBC journalist Maria Margaronis. The recordings were accessed using QR codes scanned from a mobile phone and online. A beautiful film documenting Caroline working in her studio and a catalogue were available.

Maxine Walker: Untitled

This photographic exhibition brought together a remarkable body of work by Birmingham artist Maxine Walker, constituting a poignant exploration of identity and black womanhood to interrogate the intricacies of skin, blackness and being. Walker was a prominent pioneer and champion of black British photography during the mid-1980s.

The Butterfly Effect

A group exhibition co-curated by members of MAC's older people's community programme (Culture Club) featuring prominent post-war works of art from major West Midlands arts collections. The group selected work that resonated with pandemic issues such as loneliness, Black Lives Matter and the environment. It proved to be hugely popular, with staff invigilating the space noticing that visitors were spending a long time in the show and many were making return visits. We will replicate this approach of co-curation with communities for our autumn 2023 exhibition – about the relationship between nature and wellbeing – with artwork selected again from major regional collections.

Nilupa Yasmin: Tera- A Star তেরা

An exhibition by young Birmingham-based artist, Nilupa Yasmin, consisted of beautifully handcrafted and digitally woven artworks. The artist uses this creative process as a means of contemporary storytelling to carefully interlace cultural identity, loss and belonging with her own South Asian heritage as a British Bangladeshi Muslim woman. This was one of 40 new projects taking place across 40 arts centres as part of 'Here and Now', a national and local celebration of culture within communities, which was supported by Arts Council England and Future Arts Centres, marking the National Lottery's 25th birthday.

Cinema and Screen Based Media

Like many independent cinemas, MAC has spent 2021/22 looking to diversify content and branching out into programming more international and avant-garde films, live streaming events, and communal events, drawing in a potentially more diverse audience. This has allowed us to complete effectively with the significant growth in streaming services seen during the pandemic.

We continue to work closely with festival partners and BFI to promote exciting and unique opportunities for audiences. At the same time, we recognise that online content will impact cinemas, therefore we need to ensure our loyal MAC audiences remain stimulated by our programme. Surveying and customer feedback has been essential in planning the programme. The return of our printed cinema brochure in the autumn proved very popular.

Overall visitor numbers at MAC were stronger than anticipated. The autumn programme contained strong titles e.g. Spencer, House Of Gucci, The French Dispatch, The Phantom Of The Open and Belfast. In the autumn we also launched our very first TV festival entitled Square Eyes. The event was popular and saw a mixture of screenings for audience members as well as industry events at a time when Birmingham is finally starting to ramp up television production and when the world of television – whether archive, broadcast or streaming – is bigger than ever. Events included Q&As with the likes of Jed Mercurio, Kit de Waal, Cathy Tyson, Waris Hussein and writers and producers talking about TV past, present and future, alongside a number of exclusive screenings and rare archive with a Midlands focus.

Performance

Performances have been severely disrupted throughout the year due to the issues related to the pandemic, including cancellations and the public's concern in returning to enclosed spaces.

Following the capital investment programme, the Outdoor Theatre finally came into its own with a deliberate increase in the number of events programmed outdoors for a post COVID-19 audience. During the summer of 2021 we reduced the capacity for this space to allow for social distancing so we initially had 220 seats for sale as opposed to 420 pre-pandemic. The Indoor Theatre also came back into play in September 2021.

Some highlights included:

Lung Theatre returned to MAC with their work **Who Cares?** A documentary play examining our failing care system, the impact of austerity and what happens when a child becomes the parent.

Joe Lycett comedy performance - this event was one of the busiest back at MAC since re-opening, selling 350 seats in MAC's Outdoor Theatre. We also tested the dynamic pricing for acquiring high yields on tickets for a household name.

More standout comedy performances in the autumn with **Harry Hill: Fight!** in which he talked about his new autobiography, sharing photos and clips from his huge home movie collection. MAC regulars **Mark Thomas** and **Barbara Nice** also returned.

Motionhouse premiere of NOBODY

MAC was a major co-commissioning partner for this new piece by the region's flagship Dance Circus company. Programmed during autumn half term, and as part of our digital family festival Little Geeks, this piece sold out and wowed audiences with its trademark acrobatic dance fusing with state-of-the-art digital projections.

Finally, MAC's Christmas show **One Snowy Night** – by **Slot Machine Theatre** was a popular adaptation of the classic children's book by Nick Butterworth. Despite complications due to COVID-19 resulting in the lead cast member having to isolate during the first week of performances, the show got off to a strong start, and we saw sales pick up in the final week between Christmas and New Year to achieve income consistent with previous years.

Learning & Participation (L&P)

The number of courses provided in 2021/22 was 747 (of which 110 were for children, young people and families). 81% of places sold were from returning customers and there were 646 new bookers throughout the year.

Holiday Activities and Food Scheme (HAF)

In the summer holidays 2021 and post-Christmas, MAC provided 185 free places for children and young people on our holiday creative courses, camps and schools. Funded by the Department for Education, the HAF scheme was designed to provide children with engaging creative opportunities, combat holiday hunger, social deprivation and encourage physical activity in children and young people. Children were eligible if they receive free school meals. This is an England-wide initiative and MAC is one of 160 providers across Birmingham.

Little Geeks Festival Oct Half-Term 2021

A fun and inspiring programme of courses, workshops, interactive events, and performances at this year's festival, working with our Artist Tutors and partner organisations. The courses programmed included Motionhouse Dance Circus workshop and Virtual Reality Filmmaking along with many others. We organised 21 courses, 130 children attended and the Smart Play Zone (including Big Geeks Night) had a record number of attendees at 283 and Eye Music trust at 300 attendees.

Eye Music Trust brought Sensational Colour and Music for 5 days including workshops for SEN groups with MAC Makes Music, and BHCats.

"Thank you so much for the past few days! It was such a wonderful experience for all and the performance at the end was just amazing! The parents were really overwhelmed and there were lots of tears of joy! Huge thank you for the opportunity to attend the Playzone, everyone really enjoyed it! It was so lovely to be back at the Mac really reminded me of the old times :)"
Nazreen Bi, BHCats

On Thursday 28 October we welcomed our Little Geeks Ambassadors: 20 children aged 7 from Hillstone Primary. They had a fantastic day, with workshops with Eye Music Trust, lunch provided by our catering team, then a visit to the Smart Play Zone. We ended with a guided tour of The Butterfly Effect exhibition. Most of the children had not been to MAC or visited an art gallery before. They were enthralled and engaged the whole day.

We converted MAC's main theatre into the 'Smart Play Zone', with decoration inspired by Tron. Children and families could discover a wealth of digital projects, from retro gaming consoles to 3D printing with Adam Woodall. MAC Makes Music Leaders Kris Halpin and Liz Birch demonstrated their accessible music making equipment, including mimu gloves and MAC's raspberry pi weather station (with LED cloud sculpture) returned along with makey makey brioche bongos, simple pieces of electronic kit that introduce children to affordable DIY making, coding and electronics.

Girls that Geek Feb 2022

Girls that Geek conference was held on 11 February 2022. 80 young women attended plus their teachers. Our keynote speaker was Billie McMillan (SEGA), and there was a careers panel chaired by Dr Poppy Wilde (BCU) with panellists Lily Wales, Rosa Francesca, and Harmeet Chagger-Khan.

We had two workshops - Claire Morwood taught Bitsy Game Design and Mozilla VR with Ania Nierobisz. Aston University (ASTUTE), STEAMhouse and Associated Architects provided VR, AR and robotic experiences in our Show and Tell Space.

Strategic Partnerships

Associate Artists

During closure we kept in close contact with our Associate Artists, supporting them where we could with training and commissioning. On reopening they were the first artists to return to us and their knowledge and experience of audiences has been a crucial support to us.

Little Earthquake Theatre: The Stolen Year

A new commissioned theatre installation inspired by the experiences of members of MAC's Culture Club during lockdown. The company wove together a range of moving, funny and revelatory insights from over 60 hours of interviews and testimonies and collaborated with designers and sound engineers and a BSL Interpreter to produce a beautiful 30-minute theatrical sound installation in our main theatre. Over 400 people saw the installation which was in situ for five days and was free to attend.

"I didn't know what to expect, I was worried I wouldn't have anything interesting to say at all but Gareth & Phil are so caring and thoughtful that after half an hour we were talking about all kinds of things and laughing and crying together, what an incredible thing to take part in! Thank You." The Stolen Year Participant

ManMade Youth Dance Company led by Johnny Autin, a dance club for teen boys, whose purpose is to pursue dance opportunities that might not be readily available in school. Johnny stayed in touch with the participants during lockdown through online dance activities and the classes began again in person almost immediately taking advantage of making new work with the boys in MAC's Outdoor Theatre.

Jaivant Patel Dance returned for Diwali celebrations with a sell-out evening of live performance. Jaivant is an award-winning international dancer/choreographer, cultural producer and creative consultant whose work spans queer representation of Indian dance.

Red Earth Theatre Sandra Griffiths

Bedlam Festival returned with Red Earth Theatre: Rose Ward. MAC supported Associate Artist Sandra Griffiths, of Red Earth Theatre, in development of this new theatre piece based on the real-life experiences from a female psychiatric ward in Birmingham.

MAC Makes Music

During the 2021/22 period MAC Makes Music supported 770 children and young people to make music. Of these, 663 were regular participants. Those children and young people accessed 1,357 group and 785 individual music-making sessions.

MAC Makes Music strategically supported five West Midlands Music Education Hubs (MEHs) around Equality, Equity, Diversity and Inclusion in all areas (strategy, workforce, delivery). We supported 314 people from the global music education and community music workforce to become more inclusive in their practices through 255 training and mentoring opportunities.

We successfully raised £70,428 match funding from schools, music education hubs from across the country including Dorset and Milton Keynes, and other partners such as the Solihull Violence Reduction Partnership. We launched regional centres of the West Midlands Inclusive Choir and National Open Youth Orchestra Birmingham with rehearsals culminating with performances across the country, finishing at Birmingham Town Hall.

Culture Club

Keeping in touch with our seniors has been a MAC priority. When we knew we were reopening in May, we invited them in to see the new building and take part in activities a month earlier, in the hope that seeing their friendship groups and being creative again would support their mental wellbeing. The first events were a series of taster workshops in ceramics, watercolours and writing, all designed with our Learning & Participation team. All of this made the participants feel as safe as possible. Every space was fully booked and we had great feedback from participants. As a result of this planned activity, we received additional funding from DCMS for the “Loneliness Project” (designed to combat loneliness and isolation during COVID-19 times).

Hidden Voices music carers

We completed the programme by June 2021. Some legacy activity continued beyond July, including regular engagement with some of our carers taking part in courses at MAC that reflect the music and well-being focus of Hidden Voices. Our partner Midland Mencap continues to support the legacy activity with training opportunities and support for the Cared For, in order to allow the carers to attend training and other events at MAC and elsewhere. Many of the participants from the two-year programme continue to engage with other areas of our creative activities.

Transforming Narratives

The Transforming Narratives programme formally came to an end in March 2022. MAC has played a vital leadership role in Birmingham, promoting and commissioning South Asian female artists and curators from Bangladesh and Pakistan. The British Council and Arts Council England have valued our contribution, and MAC’s 3-key exhibitions were reframed as a Commonwealth contribution to the Birmingham 2022 Festival.

Epiphania Visuals: When Speech is Forced Down, Art Must Speak (5 Feb – 3 Apr 2022)

A group exhibition by LGBTQ+ artist collective led by Dipa Yasmin, based in Dhaka. Themes explored gender identities and queer experiences through art, film, painting, and craft. Although many of the artists are not formally trained in the field of fine arts, their art has nonetheless acquired a unique and powerful visual language. It also serves as a means of strong collective activism.

Maryam Wahid: Zaibunnisa (5 Feb – 11 Apr 2022)

Zaibunnisa, meaning 'the beauty of women' refers to Wahid's mother's birth name prior to emigrating from Pakistan to the UK in 1982 for an arranged marriage. The photographs tell the story of Wahid and her mother's journey to Lahore in 2019, Wahid's first-ever trip to Pakistan and her mother's first visit in twenty years.

No Outsiders Festival for families

This annual festival in partnership with Hannah Phillips and Pride, Birmingham aims to help us re-define what makes a family and offer any type of family the chance to see themselves represented and celebrated in a safe, welcoming and creative way. This popular family programme, like Little Geeks, will have 'pop-up' events throughout the year as well as a dedicated festival period.

HAF Scheme

We are investigating potential involvement with the HAF (Holidays and Food) Scheme and are currently in talks with a potential partner, Strike 9 football academy and Reel Access.

Ticketing

From reopening at the end of May 2021 until the end of March 2022, we had a footfall of around 450k visitors. This compares with around 815k for the same period during a more typical year (for the period May 2018– March 2019). In tandem with this, our Audience Finder dashboard recorded 13,909 bookers for ticketed events May - March, compared with 22,743 for the full financial year in 2019 (i.e. reduced by just over a third).

This closely reflected national trends around prevailing audience attitudes to attendance and cultural participation, as presented in survey headlines published by The Audience Agency and other national audience agencies.

Our autumn 2021 season was a somewhat mixed picture in terms of sales and engagement (again mirroring wider trends) as audiences continued to navigate COVID-19 concerns and tentative moves towards re-socialising.

Despite this, we still managed to achieve several sold-out performances, along with other positive wins:

- With some minor adjustments relating to our closure period, our priority booking system for termly Learning & Participation courses worked effectively again in terms of managing demand and encouraging loyalty and repeat bookings. We secured £57k within the first 2 hours of the priority window opening, £83k over the first weekend and £102k+ over the priority booking period (one week).
- The Christmas show (Slot Machine Theatre's One Snowy Night) generated a comparable income to our 2019 Christmas show – an encouraging result given that the lead-up and show run coincided with ongoing pandemic anxiety among audiences, COVID-19 outbreaks at schools and pandemic headlines in December.

Footfall and bookers continued to track up steadily towards the end of the period and it is encouraging that despite significantly uncertain times, nearly 20% of bookers chose to donate (or re-credit) to MAC as part of their ticket purchase.

MAC Ticketed Events in 2021/22

- £852,329 income from ticket sales
- 51,748 total tickets
- 13,909 total bookers
- 1,739 MAC ticketed events
- £16.91 average ticket yield

Pricing Policy

Our pricing policy (introduced in 2019) continued to reflect our strategy of enabling all within our community, whatever their means, to take part in our activities - to participate in learning activities and attend our events. Our exhibitions offered an opportunity for the public to view, free of charge, new works created by contemporary artists, works on loan from major collections and to see the work of leading artists of our day and to gain experience of ground-breaking art.

Overall, full ticket prices to our live performances and cinema/live event screenings ranged from £5 to £22 (or up to £30 for high-profile events). To open access and to reward MAC's loyal/early bookers, we continued to honour our commitment to making at least 10% of all our tickets available for £10 or less, with additional concessions for under 16s and complimentary tickets for companions/carers.

Tickets for MAC's learning programme continued to span a broad range of options, from £30-£200, according to the length and nature of the course. We offered a 'Save-A-Space Scheme' that allows customers to pay for their tickets in instalments to make it more convenient for budgeting. We also offered free, high-quality learning activities for children, young people and families in our public and learning spaces. We continue to fundraise to help make our activities affordable and within the reach of those most in need.

Communications & Digital Engagement

During our venue closure and in the run up to MAC's reopening in late May, we were proactive and agile in adapting our marketing and communications output to deliver alternative strategies for reaching our audiences. After reopening to the public in May 2021, we continued to review and calibrate our delivery using intelligence from on-going surveying and in response to changing government guidelines, new social landscapes and evolving marketing tools and techniques.

- Our regular e-newsletters to previous bookers resumed, with bi-weekly updates for our Cinema, Theatre, Family, Courses and Visual Arts highlights
- We conducted regular audience surveys and bespoke e-newsletters for special events and activity
- Our social media campaigns focused on ticket pushes for key events, plus updates on our free community programmes and free exhibitions
- We implemented new campaigns focused on ACE's Let's Create investment principles, with a focus on MAC's environmental work (Green Champions updates), work to 'give voice' to under-represented groups, innovative digital work including film creation, contemporary issues championing critical conversations, and ensuring our hyper-local audience were part of a global conversation with international links and movements e.g. Black Lives Matter

E-newsletters, Website and Social Media

- 150+ e-newsletters featuring highlights and upcoming events to 12k subscribers
- 3k+ social media posts, features, shares and stories
- 61 news articles/blogs published
- 13.2k Instagram followers, 23.6k Facebook followers and 83k Twitter followers
- £2.2 million advertising value equivalent of press and media coverage
- £5.5 million PR Value of press and media coverage
- 966 articles/items of coverage
- 369k+ website visitors
- 2.9 million website page views

Workforce & People

Following MAC's reopening in May 2021, significant effort has been put into recruiting and training a full team of staff. Staff structures were reviewed prior to reopening, to ensure capacity to manage the additional risk in operating during a pandemic and to provide future flexibility and resilience for the organisation. Colleagues on furlough gradually returned and in total 96 existing colleagues resumed work with MAC following reopening. This continuity of knowledge and experience has been essential in delivering induction and training to new starters across the year.

Throughout the year there were many changes in the staff structure as a dynamic and quick-reacting approach has been needed to strengthen teams and give more flexibility across the organisation. Many artist tutors chose not to return which was not unexpected and this presented positive opportunities for the Learning programme to diversify.

There have been high levels of turnover throughout the year though the workforce is now in a more stable position and the focus has shifted to ongoing training and retention. Unprecedented levels of staff sickness/isolation were seen in all areas of the business and teams showed great resilience to cover this by taking on additional duties.

Significant and ongoing difficulties in recruiting a full team in the Catering department have impacted on our ability to operate effectively. This is a nationwide issue with a national skills shortage following on from the impact of BREXIT, COVID-19 and uncertainty in the hospitality industry. We have carefully reviewed the structure and talent within the team and restructured management to reflect the fiercely competitive nature of recruiting nationally in hospitality and reacted quickly during recruitment to fill vacancies.

A benchmarking and pay review exercise were undertaken in October 2021 to ensure our commitment to paying our workforce fair wages. The Board agreed a move away from the nationally negotiated pay rates to which salaries were previously linked and an investment of c.£68k was made to realign salaries with the market and reflect the significant investment required to rebuild the organisation and restructure. Alongside the pay review, an additional pay increase of 3.25% was endorsed by the Board of Trustees to take account of the external impact on salaries of the increased cost of living and NI employee uplift, to be implemented from 1 April 2022.

Diversity Statement

We understand that if MAC is to play a relevant and important role in Birmingham, our staff and our programmes need to be reflective and representative of the diversity within the city that we serve, responding to the interests and cultures of those who live and work here. MAC is proactive in its approach to diversity and inclusion and our Equality and Diversity Action Plan is an active tool that enables effective strategic approach and monitoring by staff and Board. At the heart of our approach is a commitment to valuing diversity, treating people with dignity and respect, eliminating discrimination and promoting social cohesion through our organisation and artistic programme.

We want to do better. We will start by participating in More Than A Moment pledge, the West Midlands Arts sector's promise to take radical, bold and immediate action and will review our organisation's processes from recruitment to contracting and communications to programming and audiences.

Throughout the organisation from Board level to all staff teams we will commit financially to resources, training and opportunities to assess and meet measurable targets to ensure progress. We aim for a future where there are no barriers – perceived or real – for individuals to engage with and be a part of MAC, as a member of the workforce, board, volunteer, audience member, participant or artist.

Financial Review

After a 13-month closure caused by the COVID-19 pandemic, MAC re-opened cautiously on 17 May 2021.

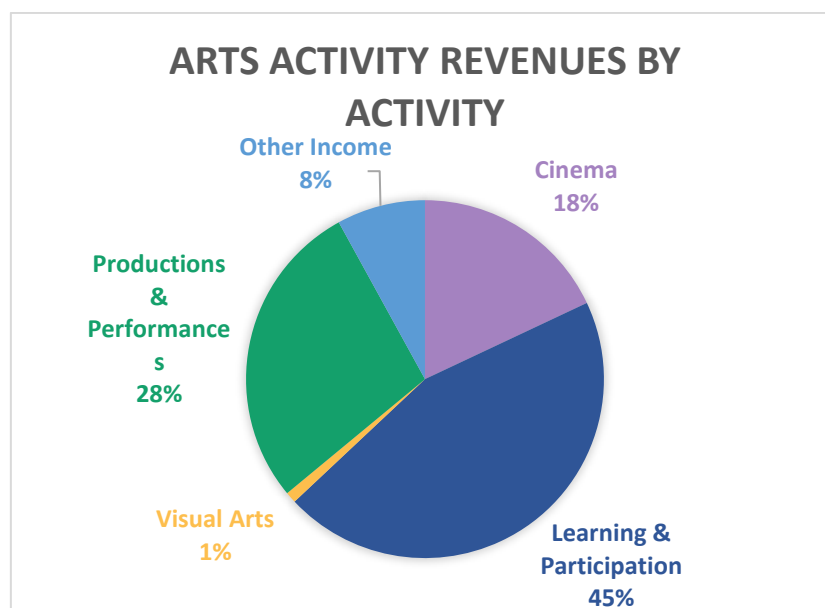
The plans for reopening had been developed over a number of months. Previously furloughed staff were gradually brought back to work, and new staff were recruited into a revised staffing structure, which takes account of new realities. At the end of March 2021 an outdoor takeaway food offer was launched from MAC's terrace, until the doors could be re-opened.

During the initial opening period, access to the building was controlled and capacity for ticketed activities was reduced, in line with COVID restrictions. Significant additional cleaning requirements were introduced, as were other COVID protection measures which had been generously supported by Arts Council England, Birmingham City Council and the BFI. These constraints were gradually reduced in line with government guidelines, with MAC back to near-normal by September 2021.

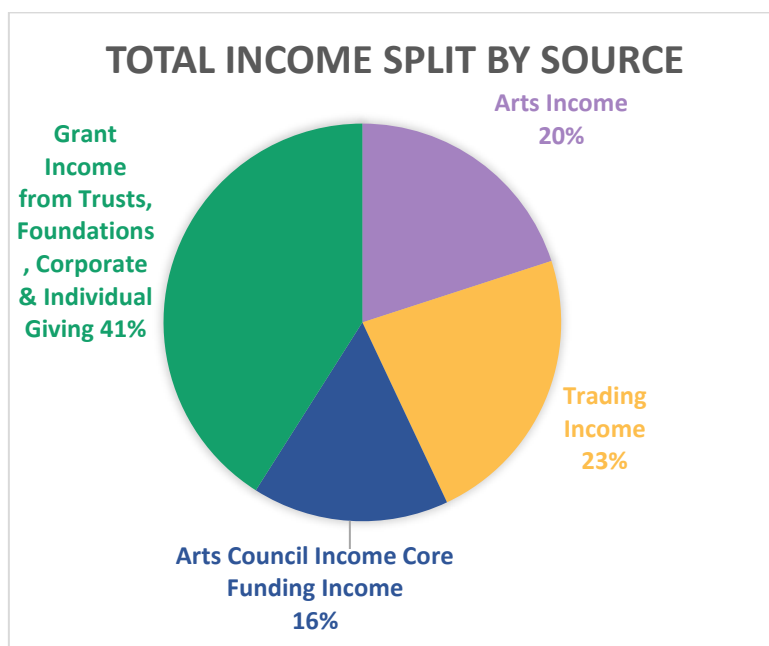
In light of the ongoing uncertainty, the Trustees formally agreed that no management charges would be made to the Trading operation during 2021/22 and Trading was set a target of at least breaking even on this basis. In the event, Trading generated £1,063,197 of income and transferred £67k covenanted profit under gift aid, supported by strong events hire activities in particular. A management charge of £350k has been reintroduced in 2022/23.

Total income in 2021/22 was £4,576,511 (2020/21 £4,449,228, of which £2,032,300 was characterised as 'COVID-19 support funding.').

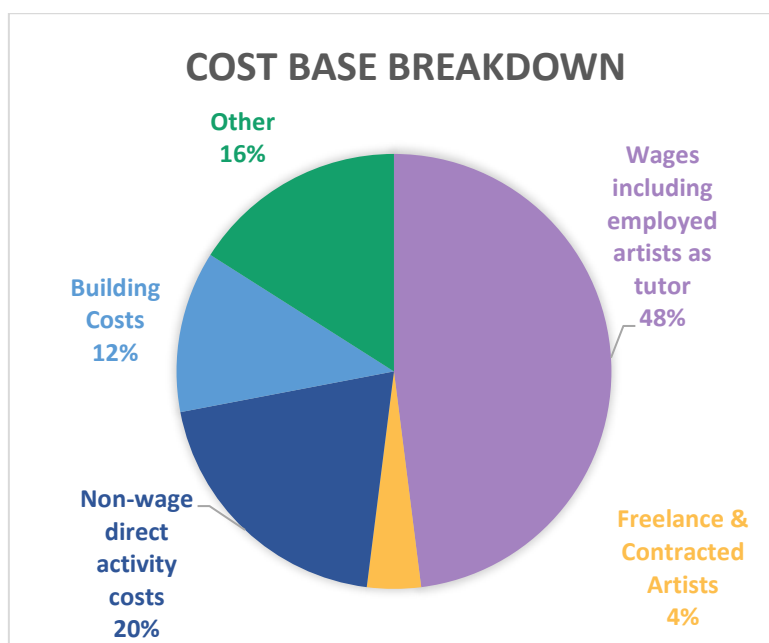
Footfall into the building has gradually increased, but remains below the levels seen pre-pandemic. In terms of ticketed activity, the learning and participation programme has responded well and cinema visitors were higher than initially anticipated. Recovery has been more muted in Performances. Overall ticketed revenues of £896,155 compared with a more typical £1.5m pre-pandemic.



As noted elsewhere in this report, MAC continues to be very grateful for the support provided by Arts Council England, Peoples Postcode Lottery and National Foundation of Youth Music.



The cost base was carefully examined while the building was closed, to ensure maximum flexibility to cope with the uncertain outlook while ensuring best value for money. Wages, including employed artists as tutors, are MAC's most significant cost item, representing 48% of total costs. In line with other businesses, MAC's operations were adversely affected by recruitment issues and staff illness during 2021/22.



Overall, a net surplus of £77,653 was achieved in the year, taking total reserves to £4,918k. Restricted funds reduced by £49k to £4,329k, while unrestricted funds increased by £127k to £590k, including £350k of designated funds and a pension deficit of £446k.

Following on from the redevelopment work which took place while the building was closed, during 2021/22 we continued to invest in the building to build resilience for the future. A

total of £198k was spent on digital screens and changing places facilities, with these projects supported by Arts Council Kickstarter grant.

The prior year accounts have been restated to reflect the final agreement of the lease and the lease premium relating to the 2010 Capital Project with Birmingham City Council (BCC), together with the award by BCC of a £1,440,070 endowment to MAC. These restatements have no impact on the results for the year ended 31 March 2020 or 31 March 2021 nor on the net asset position at those dates. See note 27 for further details.

As we look forward, there is concern about the impact of the cost-of-living crisis on MAC's cost base and on our customers' appetite for ticketed events. The capital investment programme has helped increase MAC's resilience. Careful and prudent financial management will continue to be required, including ensuring we have sufficient reserves to mitigate any downturn in our forecasts. Our reserves policy is set out later in this report.

Trustees will remain closely involved and are confident that the experience of surviving the pandemic, the generous financial support received from Trusts, Foundations, Government and other sources, the skill and commitment of all staff and financial prudence for the foreseeable future, will provide the financial stability and continued solvency to allow the charity to pursue its artistic aims and objectives.

Principal funding sources

Arts Council England

MAC is a National Portfolio Organisation (NPO) within the funding programmes of Arts Council England (ACE). Due to the pandemic, ACE decided to extend the current funding agreement by one year until March 2023. During January to May 2022, MAC prepared for a new grant application informed by ACE's new 10-year strategy 'Let's Create' that underpins their vision and investment decisions until 2033. It was recommended that we submit a grant application of £752,746 which represents a standstill figure that we have been on since 2012. Notification is planned for late October 2022. If successful the new agreement would start in April 2023.

Birmingham City Council (BCC)

We do not receive any grant or investment from the culture or arts department of the local authority. We have a formal agreement with BCC to share income derived from Cannon Hill car parking after the deduction of capital costs.

Players of the People's Postcode Lottery (PPL)

MAC has been a grateful recipient of an annual award since 2014. In the 2021 calendar year, our grant was confirmed as £350,000 with an additional 'bonus' award of an extra £350,000 towards our community programme.

In January 2022 it was announced that MAC'S grant would increase to £600,000. The support of PPL is invaluable, with their investment funding MAC's community programme and family engagement.

Fundraising

In 2021/22 we successfully fundraised £768,964. Much of our fundraising strategy has concentrated on grants to boost our diverse range of programming and vital community work. In a post-pandemic landscape, fundraised income has helped to enhance our capacity to produce and present new high-quality work, reinvigorate our public spaces, support artists, and deepen our engagement within marginalised communities.

Trusts & Foundations

Making Art Available to Everyone - Postcode Culture Trust

In 2021/22 MAC received a £350,000 'Extra Award' from People's Postcode Lottery and 'Regular Grant' of £600,000.

Empowering Communities – Fidelity UK Foundation

MAC successfully secured a grant of £332,300 from the Foundation to support community engagement to be spent over a three-year period (2022-25). The investment will cover two new fulltime roles (Community Producer and Community Apprenticeship), freelance/artist costs and project delivery.

New Ways of Working – Esmée Fairbairn

Esmée Fairbairn Reinvent Fund awarded MAC £35,000 to look at new ways of re-establishing diverse and inclusive volunteer groups.

Presenting Extraordinary Art – Art Fund

MAC successfully received two grants - £5,300 towards an 'Assistant Curator' role to support the Visual Arts Programme and £10,000 towards Adeela Suleman's 2022 exhibition through the *Re-imagine Fund*.

New Perspectives – Birmingham 2022 Festival

Grant of £10,000 to bring John Akomfrah's *Unfinished Conversation* to Birmingham in a large multi-screen exhibition.

Exciting and Representative Film – British Film Institute

MAC has a growing relationship with BFI and have received two grants, £2,800 and £8,000 to support our cinema programme and overheads.

Capital Improvements

MAC Music Rooms – Arts Council England: Capital Investment Programme

£150,000 of capital investment to transform existing music spaces into fully accessible, contemporary, and flexible music studios.

Changing Places Toilet – Regional Trust and Foundation Support

Additional capital funding was received to install a brand-new Changing Places Facility onsite from Dorothy Cadbury Trust £3,000 (Changing Places Toilet), Oakley Foundation: £1,000 (Changing Places Toilet)

Corporate Support

Eversheds Sutherland LLP

Three – year partnership at £7,500 per annum to enhance MAC's vital Learning and Community Programme. Further in-kind support is provided by the exceptional team at Eversheds with legal advice pertaining to all aspects of the Charity and Trading arms.

PATRIZIA

£13,200 towards the *In Common* Public Art project with Maryam Wahid surrounding PATRIZIA'S new Corkfield Apartments.

Individual Support

We are extremely grateful to our audiences and visitors who donate to MAC through a number ways and campaigns.

In 2021/22, we raised £12,470 through ticket donations, £3,000 was donated to our Every Child campaign and £1,933 was collected in Gift Aid.

Best Practice

MAC is committed to fundraising best practice and abides by the Fundraising Regulator's key principles: to be legal, open, honest and respectful.

Investment Policy

Prior to the recent award of a £1,440,070 endowment from Birmingham City Council, when formulating its investment policy MAC recognised that whilst it may have surplus funds to invest, these are likely to be called upon in the short to medium term. The policy therefore has been to hold investments in liquid funds so they are available to meet predicted cash-flow needs. In selecting suitable cash deposits, the policy is to maximise the return and maintain low transaction costs, whilst ensuring high levels of capital security by minimising credit risk and minimising interest rate risk. Deposits and interest rates are reviewed regularly by the Finance and Governance Sub-Committee.

The policy is reviewed on an annual basis and the next review will consider, with external advice if appropriate, how best to handle this endowment.

Reserves Policy

The reserves of the charity have been divided into Restricted funds and Unrestricted funds in accordance with charity legislation.

Restricted funds

The Restricted fund represents money given to MAC for specific capital and project work within the overall aims of the organisation. The funds are analysed between capital, endowment and project, as set out in notes 15 and 16 to the accounts.

Capital funds - Grants and donations received for capital purposes are accounted for as restricted funds and depreciation of the underlying fixed assets is charged to these funds over their lifetime. The balance on the long-term capital funds represents funds received from donors towards the MAC/Sampad Building Project and for the purchase of fixed assets, less the depreciation charged on an annual basis. Over time these reserves will reduce to zero as the assets are fully depreciated.

Endowment funds – represent long-term funding received from Birmingham City Council in the form of an endowment.

Project funds - will usually be spent in full within 5 years. These grants and donations have been received in respect of specific arts projects and include sums from a range of supporters towards future commissions, productions, co-productions, exhibitions and events as part of MAC's longer-range artistic programme.

The balance on restricted funds as at 31 March 2022 of £4,328,616 includes a balance of £973,000 in respect of the capital redevelopment project, £775,776 relating to the small-scale capital redevelopment, £1,440,070 for the endowment and £1,139,770 grants and donations.

Unrestricted Funds

The unrestricted reserves figure of £589,516 is made up of the pension liability of £445,540, general funds of £685,056 and £350,000 of designated funds.

It has been reviewed by the Trustees, recognising that significant risks remain around the aftereffects of the global pandemic and the worsening economic environment. They have determined, on the basis of detailed budget and financial planning through to the end of the 2022/23 financial year and funding commitments from Arts Council England and Peoples Postcode Lottery in particular, that this level is adequate to maintain financial stability.

The Trustees have agreed that the level of reserves (2 months of budgeted costs) remains appropriate in the short term and is in line with the previous recommendation by the Department of Culture, Media and Sport.

Designated funds - Following discussion by the Board it was agreed to maintain a designated fund of £350,000 (2021: £600,000) to cover the first two years of a 10-year anticipated capital maintenance programme as well as general activities.

Going Concern

The Trustees have considered the effect of any ongoing disruption from the pandemic and of the worsening economic situation on the going concern position. They believe the charity will continue to operate for a period of at least 12 months from the date of signing these accounts, due to the strong level of funding already secured with its key partners, Arts Council England and Players of the People's Postcode Lottery, together with grants from a number of major trusts and foundations.

At the balance sheet date, the charity held significant cash balances. The charity also has a significant level of reserves, enough of which are unrestricted and available to absorb short-term deficits, if required.

As detailed earlier, Arts Council England has confirmed funding through until 31 March 2023. People's Postcode Lottery funding is confirmed until December 2022 with positive indications of future funding into 2023.

The Trustees have considered the charitable company's business planning in the context of known resources and have reviewed the operating basis of the group's operations. A formal business plan for the period to March 2023 has been prepared.

These detailed financial forecasts assume that MAC remains open throughout the year and assume a £350k contribution to the charity from the trading company. They have been

considered by the Trustees and, together with the commitment from Arts Council England and People's Postcode Lottery, allow the Trustees to be satisfied that the charitable company remains a going concern.

MAC proactively manages cash flow; for much of MAC's income it is paid in advance or on the day; much of our operating cost is spread evenly across the year apart from payment for capital projects.

Principal Risks and Challenges

We are committed to sustaining a confident and skilled organisation and providing the best possible creative environment in which to develop our work at MAC. Our planning acknowledges the importance of investing in high-quality artistic delivery, people and infrastructure to bring the best work to the widest audience. We regularly monitor risks to enable the successful delivery of our artistic programme and use a range of self-assessment tools, external evaluation and peer review to help us ensure our work reaches our own high standards, supporting excellence whilst ensuring the widest possible participation and engagement.

The Board has constantly assessed the risks to which we may be exposed. A risk register identifies those risks and assigns specific actions and responsibilities for mitigating them. The risk management process is ongoing, and is regularly updated by the Senior Management Team and reviewed by the Board. The Board maintains a watchful eye on financial, reputational and operational risks, efficiency, streamlining operations, processes and practices, to achieve the best and fairest use of our financial and human resources. The business planning activities are enabling the Senior Management team and Board to make informed business decisions while understanding the risks and opportunities for the organisation and how this might affect MAC's future plans.

The internal systems are designed to meet the Company's particular needs and the risks to which we are exposed, to manage those risks and to provide reasonable assurance that mitigation plans are realistic and likely to be effective going forward. The Finance & Governance Sub-Committee advises the Board on budgetary controls, recommends steps to ensure financial viability of the organisation, monitoring the receipt of income for both revenue and capital expenditure. The high-level risks increased due to the current external challenges and are reflected in the table below:

RISKS		RISK MANAGEMENT
NATURE OF RISK		Control Measures
FINANCIAL		
1	A decline in visitor numbers resulting in reduced income and inability to pay overheads, staffing, event fees and fixed costs.	• Constant review of staff hours and teams, balancing costs against the programme • Flexibility with opening times of the building to balance demand for services and safety • Contracts monitored closely to be able to postpone or cancel if necessary
2	Cancellation of events remains an ongoing problem due to illness of performers or staff leading to loss of income when committed to costs.	• Detailed planning of costs with contracts including robust cancellation clauses which protect MAC • Events are rescheduled where possible to lessen the financial impact on the business and staff are deployed flexibly to account for last minute changes • Variable hours staff contracts contain a clause for cancellation of shift with over 24h notice
3	National Stakeholders and existing funding sources are subject to pressure to divert funds resulting in low or no funding/investment in MAC. Instability in the UK/Global economy, stock market and employment affects the overall propensity and ability for trusts, corporates and individuals to support arts charities. A competitive fundraising market.	• Remain alert to Government, Arts Council and City Council briefings and constantly review and implement advocacy strategy and activities within Culture Central. • Business plans and budget forecasts are reviewed regularly to respond to the latest intelligence on funding scenarios, working closely with stakeholders to form productive relationships.
4	An employer in the PSATSA Pension scheme ceases to trade and their liability falls on the other employers in the scheme.	• Regularly liaise with the Pension administrator with regards to the level of financial liability and with the other employers on their financial stability
5	MAC Trading does not meet expected targets because of the offer being not well received, not fit for purpose, or not profitable enough to support the Charity programme. Inflationary pressures impact on margins and problems with the supply chain in Catering limit the offer.	• A full detailed Risk Register is kept for all Trading activities and updated and monitored by the MAC Trading Board to ensure mitigation measures are in place so that MAC Trading activities remain profitable to support the Charity.

6	Growing inflation and the cost-of-living crisis and increasing fuel costs affect the catering offer (ability to buy raw materials) and customer spend (across arts and trading).	• Remain vigilant to changes in the market • Strong cost control on produce and good relationship with suppliers to get the best deals • Regular review of and willingness to adapt the menu • Regular financial monitoring to understand customer spend and customer surveys to understand spending appetite
LEADERSHIP AND GOVERNANCE		
1	Incorrect or inadequate Health and Safety procedures/risk assessments in place A serious incident on site leading to HSE investigation, prosecution and/or insurance claim and possible reputational damage.	• MAC contracts a specialist H&S support company to act as the 'Competent Person' who regularly audits the premises and provides specialist advice • Key staff are given specific training in undertaking risk assessments • A H&S working group oversee different areas of the building including facilities, technical resources, catering, security, people and access. • MAC utilises specialist software to ensure robust processes for reporting incidents • PPE is provided where applicable to ensure staff and visitor safety Staff are provided with H&S training on induction, and this is refreshed at regular intervals
2	Insufficient Safeguarding measures resulting in operational, financial and reputation risks to the business if there is not an appropriate and effective safeguarding policy, procedures, and constant monitoring in place.	• Appropriate professional advice is sought whenever necessary • MAC's Safeguarding policy and procedures are reviewed on a regular basis and approved by MAC's Board of Trustees • MAC's Board and Senior Management Team receive regular reports on any issues arising • All staff receive training on Safeguarding and regular briefing sessions are built into the annual work plan to ensure staff are kept up to date
3	Non-compliance with the Premises Licence requirements risks building closure	• At least 3 current staff maintain personal licences and can act as the Designated Premises Supervisor

STAFFING AND RECRUITMENT		
1	Staff shortages in key roles due to sickness, lack of suitable candidates due to changes in the employment market following the pandemic and Brexit, or inadequate salaries to attract good candidates. Flexible contracts impacting on customer offer and service resulting from lack of staff availability at busy times (e.g. weekends).	• Regular benchmarking of salaries in line with current trends and against similar venues • Job descriptions and contracts provide crossover between departments allowing for cover and redeployment of staff if required • Staff contracts are reviewed regularly to ensure staff on zero hours contracts are offered core hours where possible • Rota planning takes into account the programme ensuring that the staff levels meet the demands of the building • Opening hours are adjusted when necessary to ensure costs are managed against the programme • Use of agency staff is authorised when necessary • Apprenticeships and internships are used where possible to bring in new skills to the industry
2	Poor staff management and poor staff retention resulting in: A failure to put in place appropriate training for managers leading to poor management of staff Risk of issues leading to additional cost and loss of staff time in disciplinary action and tribunals A high turnover of staff resulting in channelling a high level of resources into the recruitment process	• Robust HR policies and procedures are in place and reviewed regularly • All managers receive training in performance management and good management practices • Recruitment strategies remain flexible to attract and retain staff • The Board of Trustees undertake a regular review of staff pay and benefits and roles and staff structures are reviewed regularly.
3	An overload on staff resulting in existing staff being over-stretched to train and induct new staff members, resulting in lower performance, morale or becoming ill including poor mental health due to high and pressurised workloads.	• External support provided where appropriate • Staff receive regular reviews and have regular interaction with all levels of management & HR • Staff are encouraged to take annual leave at regular intervals • Managers are trained to look for signs of any well-being and mental health concerns and a Well-being and Mental Health at Work policy is in place • An Employee Assistance Programme is in place to support all staff across the organisation with specialist advice.

ARTISTIC		
1	Visiting companies rehearsing and/or performing unsafely without following risk assessments of spaces and putting themselves and audiences at risk.	• Visiting companies are required to provide risk assessments in advance of the booking to ensure that performances comply with Health and Safety procedures • Visiting companies receive a health and safety induction and MAC technical staff will support companies to ensure that work is safe for performers and audiences
2	Artists and companies may not be able to meet contractual agreements due to illness or lack of funding.	• Contractual commitments are reviewed regularly to ensure that they are relevant and up to date and there is regular communication and assessment with artists and companies.
AUDIENCES		
1	Visitor numbers (footfall) is now returning to pre-pandemic levels although some areas of ticketing are down, however audiences' appetite to spend could be further impacted by current economic pressures on excessive rises in cost of living.	• Undertake regular surveys across MAC's audience base to monitor ongoing and emerging trends and preferences • External support on PR from specialist agencies is utilised when required • Effective and prominent messaging about MAC's offer is in place to rebuilt audiences and encourage secondary spend, particular in relation to messaging around MAC's catering offer
2	A reduced artistic programme may impact on audiences returning and the type of art presenting may not appeal. A reduction in the offer and an oversubscribed demand for ticketing could cause visitor backlash.	• Customers surveyed to gauge support and inform marketing campaigns to encourage audiences back to the building • Clear and positive communications with customers across all platforms • Constant review of MAC's programme to ensure it remains relevant to audiences
TECHNOLOGY		
1	Cyber-attack and Cybercrime remain a top risk to the organisation and post pandemic more sophisticated scams are common, which endangers the security of personal and company information, disruption of day-to-day business, financial losses, and data breaches (GDPR) reputational damage.	• Key policies are embedded at induction and training is regularly delivered to all teams • Key data is encrypted • Guidance is sought from external bodies e.g. ICO re. data protection • MAC is working with a specialist company to audit our current cybersecurity and regularly update MAC's IT systems to reduce the risk • Ensure that MAC keeps up to date with current technology and best practice

		• Firewall systems and spam filtering are in place and reviewed monthly
2	Failure of MAC's internal network infrastructure and systems which will impact on all areas of the business (including programme, sales in café, telephone and computers) resulting in loss of business and wasted staff time.	• Wherever possible a backup system is in place e.g. our primary internet connection has a UPS battery back up, and a backup internet connection • Work with a cybersecurity company to improve resilience and automatic failover to alternative server for sales systems
3	IT Hardware/Software is no longer fit for purpose due to changes of use, end of life or lack of resource or capacity for training.	• Training for staff in all areas in a timely way; monitor and review as appropriate and update or change if necessary.

Future Plans

2022/23 is MAC's first full twelve-month period of operation since 2018/19. Whilst we and the cultural sector face huge challenges, we have much to be positive about. MAC's reputation as a strong, safe, creative and well managed organisation is borne out by research and public surveys; and stakeholder feedback confirms that we survived and managed the difficulties of COVID successfully.

We have a solid network of supporters and loyal stakeholders who we work strategically with to ensure we remain relevant to the communities we serve and the artists we support. However, we also recognise that the landscape – both culturally, socially and economically continues to be a time of enormous transition. We have rebuilt footfall to about two-thirds of pre-COVID, made significant capital changes that allow us have greater adaptability, recruited and trained a very skilled and competent workforce and remain active commercially to mitigate against the current external challenges.

At the date of signing these accounts, the British economy is headed for recession. The cost of living has been increasing across the UK since early 2021 and the annual rate of inflation is the highest it has been since 1982 affecting the affordability of goods and services for households. Rising prices, particularly food, energy and fuel prices, including the effect of the conflict in Ukraine is impacting on the public's ability to spend. All these external factors will almost certainly affect MAC's ability to rebuild our services to pre COVID-19 levels in the next few years.

The Business Plan has been updated with revised commercial opportunities such as enhancing the night-time economy through catering, the rejuvenation of the outdoor theatre in the summer months to allow for more ambitious events, and establishing a new flexible food and beverage offer with a table offer in the main cafe Kiln. All these new areas are positive but in the short-term will need to be regularly reviewed and trialled throughout the financial year to ensure that the targets we have set remain on track.

In setting the 2022/23 budget we have recognised that our financial position is balanced due to the long-term support of key funders. Salary costs have increased along with the National Living wage and Employer NI rate. MAC's HR sub-committee agreed a 3.25% inflationary rise for all staff.

Already we can see evidence that the demand for our work in participation continues to rebuild positively in ticketing from our termly courses for September 2022/23. Performances are proving more stubborn and have been disproportionately hit with the residual effects of the pandemic, however much of our live work has been transferred to the refurbished Outdoor Theatre which is contributing more successfully than pre COVID-19 during the summer period.

MAC's venue continues to be a major asset and to remain resilient and profitable our building must work harder for us as we go forward. The recent successful capital programme of new and updated facilities has allowed MAC to remain attractive to our customer base and capitalise on additional income from paid participations, event hire and catering. In 2022 we continue to invest in areas that we are confident will draw in additional income e.g. a new 4k cinema projector (life expectancy 10 years); a suite of newly refurbished music studios; LED lighting in staff areas; and improved software.

Trading Forecasting

Pre-pandemic MAC's Trading operations generated around £500-600k per annum in profits which was paid to the Charity by way of a management charge and gift aid. In light of the need to rebuild post-pandemic, the 2022/23 annual management charge for Trading has been set at £350k and the year has started positively.

We have seen a slow but steady increase in audience numbers returning to the venue. We have based footfall projections on the planned artistic programme and previous general visitor numbers in order to forecast earned income budgets.

Room hire has returned faster and more confidently than we forecast, however the overall catering offer is proving more challenging to rebuild. The casual footfall and park users contribute enormously to Catering, and from summer activities we can see that footfall is steadily returning. The new KILN café model is still being tested and the Trading Board and senior managers are continually reviewing the offer to ensure it operates as efficiently as possible.

EPOS systems have been updated and can now provide a great deal more accuracy in collecting data and reporting to aid future decision making on menus and operations. Managers are confident that, with the new systems in place, strong income is achievable. Monthly reviews will monitor figures carefully and budgets now have a spend-per head template against which to measure. Catering numbers will be reviewed regularly in light of any additional performances and capacity.

Events Hire

MAC has increasingly relied on Events Hire as an important source of earned income, promoting the distinction of our artistic programme and venue as a unique setting. When setting budgets, we had anticipated that Events Hire would take longer to recover from the effects of the pandemic. However, since the reopen we have had a positive level of new bookings and are up on target going into the autumn. We realise that there is much work to continue securing companies to use us and with the introduction of online software such as Zoom etc, we need to work harder to encourage clients to feel confident again using our onsite facilities.

We will continue to maximise creative, social and income generation opportunities throughout the premises and new café space with greater strategic push. There will be in the future a greater emphasis on pursuing cross department opportunities with ticket sales (post conference shows) and evening catering.

Fundraising

Fundraising is an important part of securing a robust future. Since our reopening we have continued to engage our relationships with long-term partners and identify new ones as we test and rebuild our services. We are proud to have secured funding from two corporate businesses – Eversheds Sutherland and Patrizia. Both recognise the value of our work and contribution to communities.

MAC at 60

In autumn 2022 MAC will be celebrating a season of special events and fundraising initiatives dedicated to our 60-year anniversary. This is an excellent time to remind the public of the value we play as a Birmingham brand to the city and their lives. We recognise that

customers' behaviours may have changed and it will be a competitive environment going forward, therefore we need to tell our 'story' in fresh and exciting ways and the anniversary is a great way of promoting our services.

A community exhibition – The History of MAC in 60 Objects will see us invite community members to contribute objects that speak to them about MAC and their experience of us e.g. pottery, photographs, puppets. This is a terrific opportunity to celebrate our audiences and their relationship with us.

60 Dinners – we are also commissioning dining artist Kaye Winwood to devise a special dining experience for key stakeholders and supporters in November to celebrate MAC's history and the special relationship we have with trusts and foundations. This will be a moment to ensure funding partners are primed for future opportunities and announcements to support us.

Artistic programme

Much of the arts programme has been rescheduled from the 2020/21 year with confirmed grants. We will continue to strategically focus resources on prioritising local talent and existing relationships with national partners – particularly those that we know are popular with audiences e.g. comedy and family work.

Going forward MAC continues to work productively in collaboration with local partners e.g. Patrizia and Edgbaston Stadium to promote the surrounding site and appeal to local residents who visit us regularly. Almost all the funding has been secured for the visual arts (free programme) from April 2023 into early 2024, with a strong fundraising plan identifying additional funds for commissions.

Adeela Suleman, artist and craftsman from Karachi, is our major summer exhibition for the Birmingham 2022 Festival. This demonstrates our commitment to working closely with South Asian audiences and artists. We wish to be recognised as a major contributor to promoting and commissioning artwork by artists of Pakistani, Indian and Bangladeshi heritage and to actively ensure we offer inclusive and exciting opportunities to residents of Birmingham from all cultural backgrounds to enjoy work about the South Asian experience.

From 1 December to 14 April 2023, we are exhibiting 'Grayson's Art Club' in partnership with Channel 4 and Swan Films, a group exhibition that showcases the public's artworks chosen by artist Grayson Perry and guest celebrities during season 3 of the hit TV series, Grayson's Art Club. The exhibition will extend across MAC's exhibition spaces.

There are no fees provided and all the exhibition costs will be met by MAC however there is considerable opportunity to exploit various financial streams through:

- Retail - commissioned artworks, catalogue, general merchandise
- Donations - we are testing out a 'pay what you can' scheme
- Sponsorship – e.g. Patrizia and private donors confirmed
- Catering boosted with extended footfall in the usual 'dark' months of Jan-March.
- Public programme – L&P classes and special events
- Gallery Hire

To accompany the exhibition a special episode of Grayson's Art Club airs on Channel 4 later in December 2022 focusing on MAC, audiences, staff and the exhibition process.

Cannon Hill Park 150 Anniversary – MAC Goes Green!

We are preparing a range of important and special projects to celebrate Cannon Hill Park's 150-year anniversary in 2023 with greater focus on community participation around the theme of the environment both local impact and global relevance.

Board Recruitment

Recruitment remains critical to ensure that we have an effective, diverse, knowledgeable and committed team of Trustees in place to support MAC's sustainability. Since April 2022 we have successfully recruited a further 2 new Trustees and a new Director for the Trading Board. At MAC's AGM on 29 September 2022 Jonnie Turpie MBE will formally step down as Chair, with Mary Martin stepping into the role from her position as Acting Chair. We are extremely grateful to both Jonnie and Mary for their ongoing support of MAC.

Reference & Administrative Information

Charity Name:	Midlands Arts Centre
Charity Registration Number:	528979
Company Registration Number:	00718349
Registered Office	Cannon Hill Park, Birmingham B12 9QH

Bankers

HSBC Plc 130 New Street Birmingham B2 4JU	Shawbrook Bank Ltd Lutea House Warley Hill Business Park The Drive, Great Warley Brentwood Essex CM13 3BE

Auditors

Cooper Parry Group Limited
Statutory Auditors
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Structure, Governance & Management

During the year under review and up to the date of approval of the Annual Report, the following individuals served on the Board of Directors:

Cllr Matt Bennett	Gurdip Bhangoo
Letha Charles (app. 24 May 2022)	Stephanie Dale
Owen Dutton (Vice Chair)	Hardeep Gogna (app. 24 May 2022)
Daljinder Johal	Linda Jones (app. 28 Mar 2022)
Sharon Lea	Haseena Lockhat
Greg Lawson (Vice Chair) (ret. 28 Mar 2022)	Mary Martin (Acting Chair)
Louise McCathie	Linda Saunders
Sue Scholes	James Spencer (ret. 28 Sep 2021)
Cllr Martin Straker-Welds (ret. 24 May 2022)	Jonnie Turpie (Chair)
Michael Williams	

Jonnie Turpie, Sharon Lea and Mike Williams will retire by rotation and, being eligible, Sharon Lea and Mike Williams will offer themselves for re-election at the forthcoming AGM.

Governing Document

Midlands Arts Centre (trading as MAC) is a company limited by guarantee and a registered charity. It was established on 19 March 1962 (Certificate of Incorporation on Change of Name; 5 December 1990) and its Articles of Association amended to allow for current governance arrangements on 18 November 1992 (11 to 12 Board members); on 15 November 1995 (2 to 3 Birmingham City Council nominated Board members) and on 25 September 2014 (12 to 15 Board members).

The company's object is the promotion of, education in and appreciation of the arts. This primary charitable object is set out in its governing instrument which is its Memorandum and Articles of Association. The company's Mission is to promote innovative, creative arts activities in ways which help to establish them as an important part of people's lives. MAC's principal objectives are to encourage as many people as possible to:

- explore, examine and enjoy the arts activities of others; and
- participate in, and undertake, their own arts activities.

The governing body is the Board whose members are non-executive and unpaid. The Board meets regularly, retains full and effective control over the company and monitors the Executive (see below). The Board is involved in major strategic decisions and has ultimate responsibility for the conduct and financial stability of the arts centre. It seeks to support the Executive in a culture of mutual confidence and trust.

Appointment to the Board of Directors

As set out in the Articles of Association the number of members of the Board (other than those nominated by Birmingham City Council) as specified in article 31 of the Articles of Association is no less than 4 and not more than 15. Birmingham City Council may appoint up to three additional members of the Board. The Chair and Vice-Chair/s are elected by the Board from amongst their number. Nominees appointed by Birmingham City Council are subject to the appointment processes of those bodies and the guidelines on appointment to public office as they apply to Local Government nominees. Board members at the date of this Report are listed above as are all Board members who served during the year under review.

Board Induction & Training

The Chair or Vice Chair, together with the CEO, meet with newly appointed Board members to brief them on: their role and responsibilities as a trustee as outlined the Terms of Reference; their legal obligations under charity and company law; Charity Commission guidance on public benefit; review the content of the Memorandum and Articles of Association, committee and decision-making processes, current business plans and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key documentation is provided in Board inductions including, the current Business Plan and budget, the Mission Statement and artistic, educational, equal opportunities policies, the Memorandum and Articles of Association, the latest annual report and

audited accounts and previous Board papers, to give Board members a full understanding of the organisation.

The Director of Governance and HR ensures Board members are aware of policies relevant to them and that they complete relevant paperwork, such as their declaration of interests and personal data for monitoring purposes. Board and staff structures are provided including the membership and role of sub-committees, practical information on communications, procedures and timings of meetings.

The Chair meets with all Board members individually for an annual appraisal. The annual Board Away Day provides development opportunities for the Board and identifies further development needs in order for relevant training to be scheduled.

Organisational Structure

The Board of Directors (the Trustees) meets on a regular basis. The Directors delegate the day to day running of the company to the Artistic Director/Chief Executive (CEO) who is assisted by a Senior Management Team.

During the year they were:

Deborah Kermode	Chief Executive and Artistic Director
Michelle Smith	Strategic Operations Director (res. 2 June 2022)
Nicola Rowe	Deputy CEO & Director of Commercial (app. 25 July 2022)
Hinal Shah	Finance Director
Sue Longfils	Director of Governance and HR (ret. 31 May 2022)
Holly Mulhern	Director of Governance and HR (app. 1 May 2022)
Sally Ann Pennington	Head of Development

The Board delegates to the CEO full control over the selection and production of all programmes and events presented at, and under the auspices of, MAC. The CEO and the other members of the Senior Management Team generally attend meetings of the Board. The Board appoints members of the Senior Management Team and determines their contracts of employment. The Board monitors the performance of the Senior Management Team and reviews the quality, effectiveness and timeliness of information provided to the Board by the Executive.

The Board has established a Finance and Governance Sub-Committee which reviews the financial performance of the company and plays a full part in strategic business planning. Financial Regulations have been established and approved by the Board of MAC. They are intended to set out the working arrangements by which the Board gives effect to its statutory financial responsibilities, and to its management powers as defined in paragraphs 41 to 43 of the Articles of Association adopted by Special Resolution on 25 September 2014. Further, they provide details of powers delegated to the CEO and managers of the company by the Board in accordance with paragraphs 55 to 56 of these Articles of Association, and to its responsibilities under paragraphs 59 to 62 of these Articles of Association relating to Accounts and Audit.

The CEO is responsible to the Board for the proper administration of the company's financial affairs. The CEO may delegate to the Finance Director responsibility for internal control and financial systems, day-to-day accounting and preparation of regular management accounts and budgets.

Related Parties

MAC subscribes to or is formally a member of the following organisations, with which it co-operates in the pursuit of its charitable objectives:

- Arts Marketing Association
- Greater Birmingham Chamber of Commerce
- Culture Central
- Future Arts Centres
- UK Theatre
- West Midlands Growth Company

The charity's wholly owned subsidiary, Midlands Arts Centre Trading Limited, was established to manage the commercial bar and catering operation and hiring out space and facilities at MAC. In its work MAC collaborates with a wide range of artistic and community partners.

Pay Policy for Senior Staff

The directors consider the senior management team, comprising the key management personnel of the charity, to be in charge of directing and controlling, running and operating the charity on a day-to-day basis.

The recruitment of the Chief Executive is conducted by the Chair and a panel of Board members. The appointment of members of the senior management team is conducted by the CEO and a Board member. Remuneration for senior staff is agreed by the Board, this is reviewed annually alongside all pay scales for the organisation to ensure salaries remain competitive and support cost of living increases.

Statement of Directors' Responsibilities

The directors (who are also Trustees of Midlands Arts Centre for the purpose of Charity Law) are responsible for preparing the Annual Report, including the Strategic 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of 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 group for that period. In preparing these financial statements, the directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate and proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

By Order of the Board



M Martin
Acting Chair

29 September 2022



H Mulhern
Secretary

Independent Auditor's Report to the Members of Midlands Arts Centre

Opinion

We have audited the financial statements of Midlands Arts Centre ("parent charitable company") and its subsidiary ("the group") for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes, 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 parent charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its 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 and the Charities Act 2011.

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 group and parent charitable company 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 12 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' Annual 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.

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' Annual Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (incorporating the directors' report) has been prepared in accordance with legal requirements.

Matters on Which We Are Required to Report by Exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (incorporating the directors' 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 accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 parent charitable company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with those Acts.

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.

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 are detailed below:

Our assessment focussed on key laws and regulations the group and parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Trustee Act 2000, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company and how the group and parent charitable company are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and parent charitable company's control environment and how the group and parent charitable company have applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

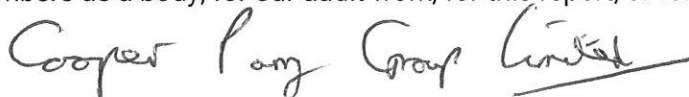
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Simon Atkins FCA
Senior Statutory Auditor

for and on behalf of:

Cooper Parry Group Limited

Chartered Accountants and Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 29/09/22

Midlands Arts Centre

Consolidated Statement of Financial Activities

(including consolidated Income and Expenditure Account) for the year ended 31 March 2022

	Notes	Unrestricted funds £	Restricted building project £	Endowment Funds £	Other restricted projects £	2022 Total £	2021 Total £
INCOME							
Donations and legacies	2	380,570	138,502	-	-	519,072	699,610
Income from charitable activities							
Grants, donations and other income	3	886,970	-	-	1,138,474	2,025,444	3,565,268
Arts activities	4	896,155	-	-	-	896,155	2,714
Income from other trading activities							
Commercial trading operations	5	1,063,197	-	-	-	1,063,197	4,271
Office lettings, hire and recharges		65,523	-	-	-	65,523	156,233
Investment income	2	7,120	-	-	-	7,120	21,132
Total income		3,299,536	138,502	-	1,138,474	4,576,511	4,449,228
EXPENDITURE							
Expenditure of raising funds							
Commercial trading operations	6	996,277	-	-	-	996,277	26,268
Expenditure on charitable activities							
Small Scale Building Project Cost	15	-	-	-	-	-	-
Arts activities	6	2,176,657	-	-	1,325,925	3,502,582	2,952,029
Total expenditure		3,172,934	-	-	1,325,925	4,498,859	2,978,297
Net income for the year		126,602	138,502	-	(187,451)	77,653	1,470,932
Transfers between funds		-	-	-	-	-	-
Net movement in funds for the year		126,602	138,502	-	(187,451)	77,653	1,470,932
Reconciliation of funds							
Total Fund brought forward		462,914	1,610,274	1,440,070	1,327,221	4,840,479	3,369,547
Total funds carried forward		589,516	1,748,776	1,440,070	1,139,770	4,918,132	4,840,479

All activities of the Group are continuing and there is no difference between the reported result for the year stated above and that on a historical cost basis.

The Group has no recognised gains and losses other than those included in the Consolidated Statement of Financial Activities.

The notes on pages 43 to 63 form part of these financial statements.

Midlands Arts Centre (Company No. 00718349)

Balance Sheets as at 31 March 2022

		Consolidated		Company	
	Notes	2022 £	As Re-stated 2021 £	2022 £	As Re-stated 2021 £
FIXED ASSETS					
Tangible fixed assets	9	2,087,483	1,969,562	2,087,483	1,969,562
Investment in subsidiary undertaking	10	-	-	100	100
Total Fixed Assets		<u>2,087,483</u>	<u>1,969,562</u>	<u>2,087,583</u>	<u>1,969,662</u>
CURRENT ASSETS					
Stocks	11	28,185	23,876	-	-
Debtors	12	346,905	211,802	469,652	321,678
Cash at bank and in hand:					
- unrestricted		923,311	1,120,061	734,586	980,035
- restricted – projects		1,139,770	1,327,221	1,139,770	1,327,221
- restricted – endowment		1,440,070	1,440,070	1,440,070	1,440,070
- restricted – capital (lease)		-	973,000	-	973,000
Total Current Assets		<u>3,878,242</u>	<u>5,096,030</u>	<u>3,784,078</u>	<u>5,042,004</u>
LIABILITIES					
Creditors falling due within one year	13	(672,091)	(1,744,494)	(578,027)	(1,668,572)
NET CURRENT ASSETS		<u>3,206,151</u>	<u>3,351,536</u>	<u>3,206,051</u>	<u>3,373,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,293,634</u>	<u>5,321,098</u>	<u>5,293,634</u>	<u>5,343,094</u>
Pension liability	23	(375,502)	(480,619)	(375,502)	(480,619)
NET ASSETS		<u>4,918,132</u>	<u>4,840,479</u>	<u>4,918,132</u>	<u>4,862,475</u>
Represented by:					
RESTRICTED FUNDS					
Building Project	15	1,748,776	1,610,274	1,748,776	1,610,274
Endowment Funds	15	1,440,070	1,440,070	1,440,070	1,440,070
Other	15	1,139,770	1,327,221	1,139,770	1,327,221
UNRESTRICTED FUNDS					
General Funds	17	685,056	413,571	685,056	435,567
Designated Funds	17	350,000	600,000	350,000	600,000
Pension reserve	17	(445,540)	(550,657)	(445,540)	(550,657)
		<u>4,918,132</u>	<u>4,840,479</u>	<u>4,918,132</u>	<u>4,862,475</u>

The notes on page 43 to 63 form part of these financial statements.

The financial statements were approved by the Board of Directors on 29 September 2022 and signed on its behalf by:


M Martin – Acting Chair

Midlands Arts Centre

Consolidated Cash Flow Statement for the Year Ended 31 March 2022

	Notes	2022 £	2021 £
Reconciliation of net incoming/(outgoing) resources to net cash flow from operating activities			
Net incoming/(outgoing) resources		77,653	1,470,932
Depreciation charges	9	80,319	71,343
Net interest	2	(7,120)	(21,132)
(Increase)/Decrease in stocks	11	(4,309)	17,162
(Increase)/Decrease in debtors	12	(135,103)	293,874
(Decrease)/Increase in creditors	13	(1,177,520)	52,811
Net cash inflow/(outflow) from operating activities		<u>(1,166,081)</u>	<u>1,884,990</u>
CASH FLOW STATEMENT			
Net cash (outflow)/inflow from operating activities		(1,166,081)	1,884,990
Returns on investments and servicing of finance	(a)	7,120	21,132
Capital expenditure	9	(198,240)	(838,352)
Increase/(Decrease) in cash	(b)	<u><u>(1,357,201)</u></u>	<u><u>1,067,770</u></u>

The notes on pages 43 to 63 form part of these financial statements.

Midlands Arts Centre

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2022

<u>(a)</u>	<u>Returns on investment and servicing of finance</u>	2022	2021	
		£	£	
	Interest received	<u>7,120</u>	<u>21,132</u>	
<u>(b)</u>	<u>Increase in cash</u>	2022	2021	
		£	£	
	Balance at beginning of period	4,860,352	3,792,583	
	Net cash flow (note c)	<u>(1,357,201)</u>	<u>1,067,770</u>	
	Balance at end of period	<u>3,503,151</u>	<u>4,860,353</u>	
<u>(c)</u>	<u>Reconciliation of net cash flow to movements in net funds</u>		£	
	Decrease in cash during year being change in net funds		(1,357,201)	
	Net funds at 1 April 2021		<u>4,860,352</u>	
	Net funds at 31 March 2022		<u>3,503,151</u>	
<u>(d)</u>	<u>Analysis of changes in net funds</u>	At 1 April	Cash	At 31 March
		2021	flows	2022
		£	£	£
	Cash at bank	4,860,352	(1,357,201)	3,503,151

Notes to the Financial Statements for the Year Ended 31 March 2022

1. Accounting Policies

The principal accounting policies adopted, judgement and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

Midlands Arts Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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.

b Basis of Consolidation

The consolidated financial statements consolidate the results of the parent company and of the subsidiary on a line by line basis. A separate Statement of Financial Activities and income and expenditure account for the charitable company itself are not presented because advantage has been taken of the exemptions afforded by section 408 of the Companies Act 2006.

c Income

Income from arts activities is included in incoming resources in the period in which the relevant activity takes place. Income is deferred when admission fees are received in advance of the performances or events to which they relate.

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income from commercial trading operations is recognised as earned.

Investment income is included in the financial statements as and when receivable and the amounts shown include taxation recoverable thereon, where applicable.

d Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

e Endowment funds

Long-term funding received from Birmingham City Council. There are no current restrictions on the use of this endowment.

f Donated services

Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included as an estimate based on the value of the contribution to the charity.

g Expenditure and irrecoverable VAT

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the café, bar, room hires and their associated support costs.
- Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

All costs are allocated between the expenditure categories of the Consolidated Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

h Depreciation and impairment

Buildings

The new lease arrangements with Birmingham City Council were agreed in March 2022 and finalised in April 2022. The lease is for 99 years and the intention is to write off the lease premium over the period of the lease.

Short-term leasehold improvements and fixtures, fittings and equipment

Depreciation is being provided on short-term leasehold improvements and fixtures, fittings and equipment other than computers in equal annual instalments over their estimated working life of between 3 to 25 years.

Computers

Depreciation on computers is being provided in equal instalments over an estimated working life of between 3 to 5 years.

Impairment

All long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. In such circumstances the charitable group estimates the future cash flows expected to result from the use of the asset and its disposal and where those are less than the carrying amount an impairment loss is recognised.

i Capital grants

Grants and donations received for capital purposes are accounted for as restricted funds and depreciation of the underlying fixed assets is charged to these funds.

j Stock

Stock is valued at the lower of cost and estimated realisable value.

k Lease rentals

Rentals on operating leases are charged in the revenue account as incurred.

l Pre-production costs

Any costs which are not able to be recycled or resold are written off and are not carried forward to match against production income.

m Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o Pension costs

To meet the requirements of auto-enrolment of staff into a pension scheme, the company offers the NEST pension scheme.

Previous pension schemes available to staff are now closed.

p Going concern

The Trustees have considered the effect of the pandemic and the uncertain economic outlook on the going concern position. They believe the charity will continue to operate for a period of at least 12 months from the date of signing these accounts, due to the strong level of funding already secured with its key partners, Arts Council England and Players of the People's Postcode Lottery, together with grants from a number of major trusts and foundations.

At the balance sheet date, the charity held significant cash balances. The charity also has a significant level of reserves, enough of which are unrestricted and available to absorb short-term deficits, if required as activity levels climb to more normal operating patterns.

As detailed in the Report of the Trustees, Arts Council England has confirmed funding through until 31 March 2023. People's Postcode Lottery funding is confirmed until December 2022 with positive indications of future funding into 2023.

The Trustees have considered the charitable company's business planning in the context of known resources and have reviewed the operating basis of the group's operations. A formal business plan for the period to March 2023 has been prepared.

These detailed financial forecasts assume that MAC remains open with activity at more normal levels albeit not yet to pre-pandemic heights. They have been considered by the Trustees and, together with the commitment from Arts Council England and People's Postcode Lottery, allow the Trustees to be satisfied that the charitable company remains a going concern.

On that basis the Trustees have prepared these financial statements on a going concern basis.

2. Income from Donations and Legacies

	2022 £	2021 £
Grants, Donations and other income - unrestricted		
People's Postcode Lottery	350,000	-
Pinsent Masons pro-bono fees	6,653	3,055
Eversheds pro-bono fees	7,125	-
Fund raising and gift aid donations	16,792	31,572
	<u>380,570</u>	<u>34,627</u>
Investment Income		
Unrestricted	7,120	21,132
Restricted	-	-
	<u>7,120</u>	<u>21,132</u>
Small Scale Capital Development - restricted		
Lord Mayor of Birmingham Charity	1,000	-
Lymoges Trust	1,500	-
BHSF	534	-
Arts Council England	135,468	269,983
Greater Birmingham and Solihull Local Enterprise Partnership	-	365,000
Saintbury Trust	-	30,000
	<u>138,502</u>	<u>664,983</u>

3. Incoming Resources from Charitable Activities

Grants, Donations and other income - unrestricted	2022	2021
	£	£
Arts Council England	752,746	752,746
Arts Council England - Emergency Grant	-	293,332
Other Income	134,224	18,273
	<u>886,970</u>	<u>1,064,351</u>

Grants, Donations and other income - restricted

General Projects - Covid 19 support	2022	2021
	£	£
Arts Council England - Culture Recovery Funds	270,574	680,668
Job Retention Scheme	5,512	725,222
Birmingham City Council	24,000	36,400
Garfield Weston	-	267,761
Esmee Fairbairn Foundation	-	16,917
BFI	3,000	12,000
Other	11,400	-
	<u>314,486</u>	<u>1,738,968</u>

General Projects - other	2022	2021
	£	£
Arts Council England	65,471	-
Birmingham City Council	8,149	-
Spirit of 2012	32,144	110,480
National Foundation for Youth Music	165,124	215,715
Roughley Trust	5,000	5,000
Feeney Trust	-	4,000
Esmee Fairbairn Foundation	35,000	-
People's Postcode Lottery	500,000	390,000
Greater Birmingham and Solihull Local Enterprise Partnership	-	21,650
Other Projects	13,100	15,104
	<u>823,988</u>	<u>761,949</u>

4. Income from Arts Activities

	2022	2021
	£	£
Cinema	158,137	27
Learning and Participation	405,762	102
Visual Arts	12,309	117
Productions and Performances	255,095	2,468
Other Income	64,852	-
	<u>896,155</u>	<u>2,714</u>

Income generated from Arts Activities for 2022 and 2021 all relates to unrestricted funds.

5. Income Earned from Trading Operations

The charitable company owns 100% of the share capital of Midlands Arts Centre Trading Limited which provides catering services, event sales, venue hires and retail activities. During the year, Midlands Arts Centre Trading Limited made sales of £18,390 (2021: £Nil) to the parent company.

	2022	2021
	£	£
Turnover	1,063,197	4,271
Cost of sales	(229,421)	(11,685)
Gross (loss)/profit	<u>833,776</u>	<u>(7,414)</u>
Staff costs	(591,618)	-
Other operating costs	(150,083)	(14,583)
Transactions with parent company:		
Facility fee payable	-	-
Technical and customer services support recharged	(3,158)	-
Room rental payable	-	-
Licence fees payable	-	-
Covenanted profit transferred under gift aid	(66,920)	-
Operating (loss)/profit	<u>21,997</u>	<u>(21,997)</u>
Tax on profit on ordinary activities	-	-
Retained in subsidiary	<u>21,997</u>	<u>(21,997)</u>
The assets and liabilities of the subsidiary at 31 March were:		
Net current assets	100	(21,897)
Total net assets	<u>100</u>	<u>(21,897)</u>
Aggregate share capital and reserves	<u>100</u>	<u>(21,897)</u>

6. Total Expenditure

	Cinema	Learning and participation	Visual Arts	Performing Arts	Other Restricted Projects	Restricted Building Projects	Trading operations	2021/22 Total	2020/21 Total
	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities									
Staff costs, travel and subsistence	97,150	235,345	90,409	175,570	515,919	-	591,619	1,706,012	1,000,829
Payments relating to artists	80,324	194,586	74,751	145,163	215,781	-	-	710,605	203,286
Materials and consumables	12,881	31,204	11,987	23,278	84,748	-	367,737	531,834	145,789
Communications	8,814	21,351	8,202	15,928	7,184	-	-	61,479	128,388
IT systems providing direct arts support	3,478	8,424	3,236	6,285	716	-	8,113	30,252	82,709
Administration	31,895	77,267	29,682	57,642	9,128	-	23,597	229,211	36,116
Small Scale Building Project Cost	-	-	-	-	-	-	-	-	-
Total direct costs	234,542	568,177	218,267	423,866	833,476	-	991,066	3,269,394	1,597,117
Support costs allocated to activities									
Premises and services costs	-	-	-	-	6,582	-	-	6,582	391,741
Building running costs	31,093	75,323	28,936	56,192	336,542	-	-	528,086	121,452
HR and administration	6,577	15,933	6,121	11,886	2,503	-	-	43,020	275,018
IT & Finance	30,495	73,873	28,379	55,110	8,228	-	-	196,085	95,008
Governance	5,493	13,306	5,112	9,927	-	-	5,211	39,049	91,062
Operations and planning	45,135	109,341	42,004	81,569	138,594	-	-	416,643	406,899
Total support costs	118,793	287,776	110,552	214,684	492,449	-	5,211	1,229,466	1,381,180
Total costs - 2021-22	353,335	855,953	328,819	638,550	1,325,925	-	996,277	4,498,859	-
Total costs - 2020-21	129,355	527,658	212,476	346,949	1,735,591	-	26,268	-	2,978,297

Support costs have been allocated to activities on a percentage linked to direct costs.

£1,325,925 (2021: £1,735,591) of the above costs were attributable to restricted funds. £3,172,934 (2021: £1,242,706) of the above costs were attributable to unrestricted funds.

7. Charitable Expenditure

Expenditure includes:	2022 £	2021 £
Auditors' remuneration		
- in respect of audit	15,300	12,005
- for specialist advice (all parent Charity)	11,565	4,893
Depreciation – owned assets	<u>80,319</u>	<u>71,343</u>

8. Staff Costs

	2022 £	2021 £
Wages and salaries	2,027,237	1,458,754
Social security costs	132,496	99,857
Pension costs	<u>36,872</u>	<u>30,707</u>
	<u>2,196,605</u>	<u>1,589,318</u>

Redundancy amounts of £Nil (2021 : £70,356) were paid during the reporting year.

Holiday pay of £6,498 (2021: £4,183) is included in provisions.

The company contributes to the Pension Scheme for Administrative and Technical Staff in the Arts, which is a national scheme of the defined benefit type. The scheme is closed to new members. The company has also established a defined contribution scheme with NEST.

	2022 Number	2021 Number
The number of employees whose remuneration fell within the band £60,000 to £69,999	<u>-</u>	<u>1</u>
The number of employees whose remuneration fell within the band £70,000 to £79,999	<u>1</u>	<u>-</u>

Trustees' and key management personnel remuneration and expenses

No trustee received reimbursed expenses during the year. (2021: £Nil)

The total amount of employee benefits received by key management personnel is £261,664 (2021: £252,363). Key management personnel are set out on page 33 of this report.

The average number of employees in the year was as follows:

	2022 Number	2021 Number
Business and administration staff – Full time	28	21
Business and administration staff – Part time	57	40
Arts team – Full time	5	6
Arts team – Part time	68	73
Catering, bar and events staff	<u>55</u>	<u>14</u>
	<u>213</u>	<u>154</u>

9. Tangible Fixed Assets

Consolidated and Company	Leasehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2021 (as previously reported)	4,781,492	984,861	471,472	162,732	6,400,557
Prior year restatement (note 27)	(1,440,070)	-	-	-	(1,440,070)
At 1 April 2021 (as re-stated)	3,341,422	984,861	471,472	162,732	4,960,487
Additions	-	179,513	12,061	6,666	198,240
Disposals	(2,368,422)	-	-	-	(2,368,422)
At 31 March 2022	973,000	1,164,374	483,533	169,398	2,790,305
Depreciation					
At 1 April 2021	2,368,422	100,409	397,802	124,292	2,990,925
Charge for year	-	26,505	34,087	19,728	80,319
Disposals	(2,368,422)	-	-	-	(2,368,422)
At 31 March 2022	-	126,914	431,889	144,020	702,822
Net book values					
At 31 March 2022	973,000	1,037,460	51,645	25,378	2,087,483
At 31 March 2021	973,000	884,452	73,670	38,440	1,969,562

The new 99-year lease with BCC was agreed in March 2022 and finalised in April 2022 and hence the fully amortised Leasehold land and buildings relating to the previous lease have been disposed of.

10. Investment in Subsidiary Undertaking

The company owns 100% of the issued share capital of Midlands Arts Centre Trading Limited, a company registered in England and Wales, and whose principal activity is the provision of catering services, event sales and hire. The results of the subsidiary undertaking are set out in note 5.

11. Stock (Consolidated Only)

	2022 £	2021 £
Catering and bar stocks	15,853	6,536
Retail Stock	12,332	17,340
	<u>28,185</u>	<u>23,876</u>

12. Debtors

	2022	Consolidated 2021	2022	Company 2021
	£	£	£	£
Amounts falling due within one year				
Due from subsidiary undertaking	-	-	214,994	126,753
Other debtors	119,782	25,364	31,986	12,195
Prepayments	101,573	65,564	97,122	62,564
Accrued income	125,551	120,874	125,551	120,166
	<u>346,905</u>	<u>211,802</u>	<u>469,652</u>	<u>321,678</u>

13. Creditors

	2022	Consolidated As re-stated 2021	2022	Company As re-stated 2021
	£	£	£	£
Amounts falling due within one year				
Trade creditors	201,903	350,312	133,612	295,972
Taxation and social security	23,971	(61,010)	23,971	(61,007)
Other creditors	33,223	1,003,401	33,223	1,003,401
Accruals	120,933	283,230	104,447	269,271
Deferred income	198,676	75,177	189,391	67,551
Pension liability	93,384	93,384	93,384	93,384
	<u>672,091</u>	<u>1,744,494</u>	<u>578,027</u>	<u>1,668,572</u>

14. Operating Leases

The total minimum lease payments due by the charitable company at 31 March 2022 in respect of non-cancellable operating leases are as follows:

	Consolidated Other operating leases 2022	2021	Company Other operating leases 2022	2021
Within one year	11,883	1,009	11,883	1,009
Within one and two years	15,009	2,901	15,009	2,901
Within two to five years	5,346	4,720	5,346	4,720
	<u>32,238</u>	<u>8,630</u>	<u>32,238</u>	<u>8,630</u>

15. Restricted Funds (Charity and Group)

	Small Scale Capital				
	Capital Development £	Development Project £	Endowment Funds £	Projects (note 16) £	Total £
At 1 April 2021 (as previously reported)	2,413,070	637,274	-	1,327,221	4,377,565
Prior year restatement (note 27)	(1,440,070)	-	1,440,070	-	-
At 1 April 2021 (as re-stated)	973,000	637,274	1,440,070	1,327,221	4,377,565
Incoming resources					
Incoming resources (note 2,3)	-	138,502	-	1,138,474	1,276,976
Resources expended					
Arts activities	-	-	-	(1,325,925)	(1,325,925)
At 31 March 2022	973,000	775,776	1,440,070	1,139,770	4,328,616

Comparison to financial year ended 31 March 2021 (as re-stated)

	Small Scale Capital				
	Capital Development £	Development Project £	Endowment Funds £	Projects (note 16) £	Total £
At 1 April 2020 (as previously reported)	2,413,070	(27,709)	-	561,895	2,947,256
Prior year restatement (note 27)	(1,440,070)	-	1,440,070	-	-
At 1 April 2020 (as re-stated)	973,000	(27,709)	1,440,070	561,895	2,947,256
Incoming resources					
Incoming resources (note 2,3)	-	664,983	-	2,500,917	3,165,900
Resources expended					
Arts activities	-	-	-	(1,735,591)	(1,735,591)
At 31 March 2021 (as re-stated)	973,000	637,274	1,440,070	1,327,221	4,377,565

16. Analysis of Restricted Project Funds (Charity and Group)

	1 April 2021 £	Incoming resources £	Resources expended £	31 March 2022 £
National Foundation for Youth Music Youth music inclusion programme working with children and young people in challenging circumstances	78,554	165,124	(188,742)	54,936
Covid - 19 Support funds*	321,078	314,486	(612,111)	23,453
Other Projects**	927,589	658,864	(525,072)	1,061,381
Total	1,327,221	1,138,474	(1,325,925)	1,139,770

* Refer to note 3 - "General Projects - Covid 19 support - 2022" for list of supporters

** Refer to note 3 - "General Projects – other - 2022" for list of supporters

Comparison to financial year ended 31 March 2021

	1 April 2020 £	Incoming resources £	Resources expended £	31 March 2021 £
National Foundation for Youth Music Youth music inclusion programme working with children and young people in challenging circumstances	-	215,715	(137,161)	78,554
Covid - 19 Support funds*	-	1,738,968	(1,417,890)	321,078
Other Projects**	561,895	546,234	(180,540)	927,589
Total	561,895	2,500,917	(1,735,591)	1,327,221

* Refer to note 3 - "General Projects - Covid 19 support 2021" for list of supporters

** Refer to note 3 - "General Projects – other 2021" for list of supporters

17. Unrestricted Funds (Group)

	General Funds £	Designated Funds £	Pension Funds £	Total £
At 1 April 2021	413,571	600,000	(550,657)	462,914
Net incoming resources before transfers	254,204	(232,719)	105,117	126,602
Transfer of funds	17,281	(17,281)	-	-
At 31 March 2022	685,056	350,000	(445,540)	589,516

Unrestricted Funds (Charity)

	General Funds £	Designated Funds £	Pension Funds £	Total £
At 1 April 2021	435,567	600,000	(550,657)	484,910
Net incoming resources before transfers	232,208	(232,719)	105,117	104,606
Transfer of funds	17,281	(17,281)	-	-
At 31 March 2022	685,056	350,000	(445,540)	589,516

At the year end, the designated funds are £350,000 (2021: £600,000).

- £300,000 towards Capital maintenance programme
- £50,000 towards general activities

In accordance with the requirements of FRS 102 MAC has recognised a pension liability of £445,540.

Comparison to financial year ended 31 March 2021

Unrestricted Funds (Group)

	General Funds £	Designated Funds £	Pension Funds £	Total £
At 1 April 2020	631,771	400,000	(609,480)	422,291
Net incoming resources before transfers	(13,260)	(4,940)	58,823	40,623
Transfer of funds	(204,940)	204,940	-	-
At 31 March 2021	413,571	600,000	(550,657)	462,914

Unrestricted Funds (Charity)

	General Funds £	Designated Funds £	Pension Funds £	Total £
At 1 April 2020	631,771	400,000	(609,480)	422,291
Net incoming resources before transfers	8,736	(4,940)	58,823	62,619
Transfer of funds	(204,940)	204,940	-	-
At 31 March 2021	435,567	600,000	(550,657)	484,910

At the year end, the designated funds are allocated £600,000 (2020: £400,000).

- £300,000 towards transition cost – risk around getting MAC up and running again
- £200,000 towards 60th year art projects and promoting MAC in the Commonwealth Games
- £100,000 towards small scale capital development project.

In accordance with the requirements of FRS 102 MAC has recognised a pension liability of £550,657.

18. Analysis of Group Net Assets Between Funds

	Unrestricted Funds Consolidated £	Restricted Funds Consolidated £	Endowment Funds £	Total Funds £
Fund balances at 31 March 2022 are represented by:				
Fixed assets	338,707	1,748,776	-	2,087,483
Stock	28,185	-	-	28,185
Debtors	346,905	-	-	346,905
Cash at bank and in hand	923,311	1,139,770	1,440,070	3,503,151
Creditors	(672,091)	-	-	(672,091)
Provisions / Pensions	(375,502)	-	-	(375,502)
	<u>589,516</u>	<u>2,888,546</u>	<u>1,440,070</u>	<u>4,918,132</u>

The designated funds within unrestricted funds are represented by cash at bank.

Comparison to financial year ended 31 March 2021

	Unrestricted Funds Consolidated £	Restricted Funds Consolidated £	Endowment Funds £	Total Funds £
Fund balances at 31 March 2021 (re-stated) are represented by:				
Fixed assets	359,288	1,610,274	-	1,969,562
Stock	23,876	-	-	23,876
Debtors	211,802	-	-	211,802
Cash at bank and in hand	1,120,061	2,300,221	1,440,070	4,860,352
Creditors	(771,494)	(973,000)	-	(1,744,494)
Provisions / Pensions	(480,619)	-	-	(480,619)
	<u>462,913</u>	<u>2,937,495</u>	<u>1,440,070</u>	<u>4,840,479</u>

The designated funds within unrestricted funds are represented by cash at bank.

19. Financial Activities of the Charitable Company

The financial activities shown in the consolidated statement of financial activities includes those of the company's wholly owned subsidiary.

A summary of the financial activities undertaken by the parent charitable company is set out below:

	2022 £	2021 £
Gross incoming resources	3,558,238	4,418,689
Total expenditure on charitable activities	(3,463,533)	(2,834,699)
Governance costs	(39,049)	(91,062)
Net (outgoing)/incoming resources for the year	55,657	1,492,928
Total funds brought forward	4,862,475	3,369,547
Total funds carried forward	<u>4,918,132</u>	<u>4,862,475</u>
Represented by:		
Unrestricted funds	685,056	435,567
Designated funds	350,000	600,000
Endowment funds	1,440,070	1,440,070
Restricted funds	2,888,546	2,937,495
Pension funds	(445,540)	(550,657)
	<u>4,918,132</u>	<u>4,862,475</u>

20. Lease Commitments

The charitable company has a commitment to pay a peppercorn rent expiring after more than five years on the leasehold land and buildings at Cannon Hill Park.

21. Capital Commitments and Contingent Liabilities

MAC is committed to make a contribution towards the music studio development project.

MAC is redeveloping its music spaces to make them more accessible and better used for the local community, as well as installing a recording studio with enhanced technology across all music rooms. MAC received £150,000 from Arts Council England towards the project.

The charitable company is the representative member of a VAT registration group with its subsidiary company. The parent and subsidiary are jointly and severally liable for any VAT due from the representative member.

22. Tax Status

As a charitable company, Midlands Arts Centre, is exempt from tax on income and gains falling within Sections 481-489 of the Corporation Taxes Act 2010 or Section 256 of the

Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company. The trading subsidiary has no profits which are subject to taxation under the provisions of the Income and Corporation Taxes Act 2010.

23. Pensions

- NEST Pension

The Company offers the NEST pension scheme to meet the requirements of auto-enrolment of staff into a pension scheme.

- The Pension Scheme for Administration and Technical Staff in the Arts (PSATSA)

The company participates in the scheme, a multi-employer scheme which provides benefits to 7 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 31 March 2019. This valuation showed assets of £21m, liabilities of £23.2m and a deficit of £2.3m. To eliminate this funding shortfall, the participating employers have agreed to continue to pay contributions to the scheme based on their calculated share of the shortfall. The contributions of MAC are as follows:

Deficit contributions

From 1 June 2017 to 31 August 2027:	£93,384 per annum

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	2022	2021
	£	£
Present value of provision		
Pension liability due in a year	93,384	93,384
Pension liability due after a year	352,156	457,273
Present value of provision	<u>445,540</u>	<u>550,657</u>

Reconciliation of opening and closing provisions

	Period Ending
	31 March 2022
	£
Provision at start of period	550,657
Unwinding of the discount factor (interest expense)	(11,733)
Deficit contribution paid	(93,384)
Remeasurements - impact of any change in assumptions	-
Remeasurements - amendments to the contribution schedule	-
Provision at end of period	<u>445,540</u>

Statement of Financial Activities impact

	Period Ending
	31 March 2022
	£
Interest expense	(11,733)
Remeasurements - impact of any change in assumptions	-
Remeasurements - amendments to the contribution schedule	-
Contributions paid in respect of future service	-
Costs recognised in income and expenditure account	-
	<u>(11,733)</u>

Assumptions

	31 March 2022	31 March 2021
	% per annum	% per annum
Rate of interest	2.4%	0.7%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

24. Members

The charity is incorporated as a company limited by guarantee and, in accordance with the Memorandum of Association of the company, every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required, not exceeding one pound. The number of members at 31 March 2022 was 15 (2021:16).

25. Related Party Transactions

A number of the Trustees of Midlands Arts Centre have interests in organisations which have provided support and funding to the charity in the year. The Trustees have considered the disclosure requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) and of Financial Reporting Standard 102, and consider that the transactions requiring disclosure are as follows:

Greg Lowson, Trustee, is Managing Partner of Pinsent Masons, a firm the charity uses for the provision of legal services. Pro-bono fees donated by Pinsent Masons are disclosed in note 2 to the accounts.

Owen Dutton, Trustee, is a Senior Associate of Eversheds Sutherland, a firm the charity used in the year ending 31 March 2022 for the provision of specialist advice in relation to the Small Scale Capital Development Project. Pro-bono fees donated by Eversheds Sutherland are disclosed in note 2 to the accounts.

Transactions with the charity's totally owned subsidiary, Midlands Arts Centre Trading Limited, are described in note 5 to the accounts and year-end balances are in note 12.

26. Ultimate Controlling Party

MAC is controlled by its Board of Trustees.

27. Prior year restatement

As reported in the Trustees' Report, during the year negotiations have concluded with Birmingham City Council in connection with the lease premium for the site occupied by Midlands Arts Centre.

As part of these negotiations, the valuation of the lease premium has been agreed and the creation of an endowment fund has been confirmed.

In prior sets of financial statements, a number of assumptions were made in respect of the carrying value of the lease premium. The principles surrounding the lease premium and the creation of an endowment fund were first agreed with Birmingham City Council in March 2020 and after further negotiation and legal work, the lease was agreed in March 2022.

The accounts for the year ended 31 March 2020 and 31 March 2021 were drawn up based on the concepts agreed by Birmingham City Council. The signing of the lease has now formalised the amounts involved. Although the value of the lease premium could have been taken into account in the financial statements to March 2020 and March 2021, the Trustees decided not to adopt these values until the lease was signed.

A prior year restatement has been made in these financial statements to reflect the final agreed position. This has resulted in the creation of an endowment fund and the reduction of the carrying value of fixed assets and the reduction of the creditor due to Birmingham City Council.

The prior year restatement has no impact on the previously reported Statement of Financial Activities or the result for the years ended 31 March 2020 and 31 March 2021. It also has no impact on the closing net asset position at either balance sheet date.

The financial impact is set out below:

	Previously reported at 31 March 2021 £	Prior year Restatement £	Restated at 31 March 2021 £
Fixed assets	3,409,632	(1,440,070)	1,969,562
Creditors	(3,184,564)	1,440,070	(1,744,494)
Funds			
Restricted funds			
Restricted funds - building project	3,050,344	(1,440,070)	1,610,274
Restricted funds - other projects	1,327,221	-	1,327,221
Endowment fund	-	1,440,070	1,440,070
Unrestricted funds			
General funds	413,571	-	413,571
Designated funds	600,000	-	600,000
Pension reserve	(550,657)	-	(550,657)
	4,840,479	-	4,840,479

Accounts

Midlands Arts Centre

A Company Limited by Guarantee

Trading as MAC

Annual Report & Financial Statements For The Year Ended 31 March 2021

Company No: 00718349
Charity No: 528979

Report and Financial Statements for the Year Ended 31 March 2021

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A Snapshot of MAC 2020/21

110

online events

created in partnership
with, supported,
commissioned or
delivered by MAC

42

**live-streamed
online events
and online
workshops**

500+

**views from 4
virtual film
screenings**

10k+

**audience reach
across all online
events**

**10k monthly
website
visitors**

1000+

**social media
posts, features,
shares and
stories**

600+

**sales for
ticketed online
events**

£1.1 million

**PR value
from media
coverage**

53%

of bookers

chose to donate or
recredit the cost of their
ticket to MAC

2,300+

worksheets and

650+

music activity packs
delivered by
MAC Makes Music to
local families

**Social
Media**

82k Twitter
20k Facebook
10k Instagram

150+

**free online
resources** published
for children & young
people by
MAC Makes Music

150+

**Hidden Voices
activity packs**

delivered to female
carers and participants

127

**carers engaged
inc. 82 new
female carers**

by Hidden Voices

122

**music sessions
delivered for
female carers**

by Hidden Voices

213

**interactions by
refugee women
and girls**

Report of The Trustees 2020/21

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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) (effective 1 January 2019).

Chair's Report

The impact of COVID-19 has presented the greatest threat to the future of Midlands Arts Centre (MAC) since we first opened in 1962 and its immediate impact has been financially devastating. All the current indications are that we will have to find ways to live with the impact of COVID-19 going forward as we transition into a new future.

Despite the extraordinary challenges we have faced, we remain committed to our mission – 'to promote innovative, creative arts activities in ways that help to establish them in people's everyday lives'. The pandemic has raised profound societal and cultural changes leading to pertinent issues about the environment, community activism, involvement, inclusivity, wellbeing and creativity – to name but a few. We are not the same people, or organisation we were a year ago.

Since our closure on 20 March 2020 until MAC re-opened on 21 May 2021, the priority has been to adapt quickly and reallocate budgets through radical cost-cutting, furloughing and financial forecasting. We kept our site safe and secure, oversaw a rapid and smooth transition to home working at the start of lockdown and transferred our popular community activities online with great success.

Through enormous hard work and a highly committed workforce we have weathered the crisis and developed a newly revised business model operating on sources of income that depend upon us being open to the public - catering, ticketing and events hire. This is a model that has, in the past, enabled our financial independence, but now sees us critically vulnerable in the short-term and, in common with most of the cultural sector, we have made revisions and are testing our services within a new operating environment.

Whilst we begin to build up trading income, setting prudent budget targets, we are extremely grateful for the Government emergency cultural funding received. The grants have allowed us to cover critical expenditure during this crucial period, and we would like to thank colleagues at DCMS, Arts Council England, Garfield Weston Foundation, and Players of the Postcode Lottery for providing lifelines to our organisation. The Coronavirus Job Retention Scheme along with the tough decisions and actions we have taken to reduce fixed costs, meant we were able to mitigate the catastrophic reduction in revenue during the past year. Alongside formal partners we have been hugely grateful for the continued commitment of many valued individuals who signed up to MAC's new

membership scheme and those who deferred ticket reimbursements or offered donations.

This has been a big vote of confidence in MAC's reputation and underpins our long-term future. We now have the means and confidence to continue to plan sensibly through this transition period, into a more positive year in 2022 as we celebrate MAC's 60-year anniversary and welcome the terrific opportunities of the Commonwealth Games staged in Birmingham.

During the closure period, we focused on supporting priority communities, and in particular, female carers, disabled families and elders living in isolation. We reached 1000s of people in a variety of new ways, aware that many live in digital poverty, hence our need to use innovative methods to contact people other than online. We delivered ukuleles to people's homes, invited musicians to do pop-up garden gigs and sent out art materials in food parcels – we tried to be as imaginative as possible under very challenging situations.

Where digital engagement was possible, we supplied equipment and training in order to organise workshops such as inclusive online choirs and open mic nights led by our brilliant team of music tutors. We expect to see further investments in MAC's digital and technology plans in the forthcoming year to offer a hybrid model to diverse audiences who wish to continue accessing our online services.

Despite the pandemic, we continued our four-year successful partnership with Youth Music, with our award-winning MAC Makes Music programme that offers high quality, innovative experiences to young people across the region. Hidden Voices, funded generously by Spirit of 2012, which supports female carers of all ages to actively contribute to music activities came to an end in April 2021 as did the glorious Celebrating Age - we are determined that the participants from these popular programmes remain connected to MAC's new creative programmes.

Crucially our broad and diverse community programme supported, wherever possible, our important freelance community of artists, musicians and production staff who normally work with us on site. We were able to offer research grants, community online work and training opportunities.

Alongside the day-to-day management of the venue, we undertook, as planned prior to lockdown, an ambitious capital programme to improve visitors' facilities and upgrade digital resources. Despite delays with Government restrictions, we completed the building and refurbishments on time and to budget. The new facilities – pocket garden, studios, café refurbishment, upgraded outdoor theatre and digital infrastructure – put us in a much stronger financial position with services that specialise in inclusive work and wellness. We could not have achieved this successful outcome without the financial support of partners the Arts Council England, GBSLEP and Edward Cadbury Charitable Trust.

We remain confident in our future, and pursue a strong, clear strategy in line with MAC's charitable objectives, important for us in the coming year. Undoubtedly, our resolve and stability in 2020/21 stemmed from our incredibly passionate and dedicated workforce. It was with immense sadness that we saw many staff leave MAC in the summer of 2020 as the result of the redundancy programme forced on us by the continued closure of the building and the impact of the pandemic. Since we have reopened in May 2021, many

colleagues have returned to MAC, which is wonderful, alongside new talented staff to infuse energy and expertise across teams.

Our focus now is to ensure successful induction and training programmes for everyone. The CEO and her senior managers who have kept their eyes on the ball throughout and ensured the team is ready for the future have driven the continued successful management of MAC.

Finally, I would like to take the opportunity to thank MAC's dedicated Board of Trustees for their expertise and insight. Their oversight and strength have been critical to supporting MAC in achieving its survival in these uncertain times. In particular, the Finance and Governance team has been diligent in its regular review and oversight of MAC's finances during these turbulent times. We look forward to welcoming visitors back to MAC and the wealth of artistic and cultural offerings available to all.

A handwritten signature in black ink, reading "Jonnie Turpie". The signature is stylized with a large, sweeping initial "J" and a long horizontal line extending from the end of the name.

Jonnie Turpie MBE
Chair of The Trustees
28 September 2021

Our Purposes and Activities

MAC's principal objectives are to encourage as many people as possible to:

- explore, examine and enjoy the arts activities of others; and participate in, and undertake, their own arts activities.

Mission

To promote innovative, creative arts activities in ways which help to establish them as an important part of people's lives.

Vision

Artists and their relationship with audiences are at our heart. Our programmes focus on work exploring new grounds and adopting inter-cultural and inter-disciplinary approaches across a range of art forms and the meeting points in between.

Values

MAC's ethos is based on a set of values which inform the whole of its activities and helps to shape the organisation's work. MAC values the following:

- excellence in artistic practice, that is experimental and strives to engage with audiences;
- helping artists to find their own, unique voice and to forge productive partnerships with other artists and the general public;
- celebrating diversity and strengthening social cohesion;
- offering equal opportunities to everyone whilst recognising the uniqueness of artistic talent;
- increasing the accessibility of the arts and respecting their complexity;
- giving participants and audiences more involvement in activities and introducing them to new challenges and innovations; and
- making the most of the social benefits of the arts and valuing the pleasure people gain from their own individual artistic expression through wellbeing.

Public Benefit

In reviewing its objectives and planning its activities, the Trustees have considered the Charity Commission's guidance on public benefit, including guidance on public benefit and fee charging.

The Board of MAC and its staff have continued to hold its business plan under review, honing future plans in the light of operational experience, future public investment prospects and the strategic context for its future activities.

MAC relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the Board gives very careful consideration to the accessibility of the centre for those on low incomes and those with particular needs.

MAC's venue continues to enable an increasingly wide range of arts, learning and participation activities and provides a base for substantial outreach activities through touring and community engagement, especially in communities with little access to arts participation. These activities are designed to meet the interests of all, and embrace specific strands for children, young people, families and people with disabilities. MAC places a firm emphasis on equality of access and the celebration of intercultural activities in a youthful and diverse city.

Achievements and Performance

Artistic Highlights from 2020/21

Despite the tumultuous year, MAC continued successfully to provide a range of vital services - albeit significantly reduced - to our communities across Birmingham and the West Midlands. Our priorities in the first few months of lockdown were to continue communicating to individuals, artists, organisations and agencies to assess and support as best we could. Through the year, we gained more knowledge, training and confidence to extend our work beyond the usual walls of the venue to take art directly into people's homes.

Artistic Programme

We ceased all onsite artistic content and moved as much of our community programming online. The community producer remained in post whilst other arts colleagues were furloughed temporarily. We prioritised delivering projects to vulnerable communities and all resources and budgets remained in place. We worked closely with key stakeholders - Youth Music, Arts Council England and Spirit of 2012.

MAC Makes Music

This inclusive music programme continued to produce some outstanding, high quality, innovative experiences to young people across the region through various online platforms. These included:

- We made over 80 inclusive music videos on our YouTube platform free of charge for families to use;
- Online resource bank produced for families with musical activities. Highlights include the summer holiday 'Around the World' series which transported viewers to a different continent each week;
- Artist produced musical activity postcards and activity sheets for children and young people without access to internet. 2,000 copies of all 10 activities printed by Worcestershire Children First, delivered 100 copies of each to national charity KIDS who also printed more copies at their London base, copies have also been delivered to primary Pupil Referral Units;
- Live zoom sessions with young people have included, monthly 'Open Mic' events, SWITCH band sessions;
- Strategic work has continued with monthly online meetings of MAC Music Education Hub Strategy Group. Additional work has been made up with YM grant for Herefordshire MEH;
- Provided 70 online events and 47 safe in-person sessions;
- Delivered 650+ musical activity packs and over 2,300 worksheets to local families (working with Worcestershire Children First to print 2,000 copies of these resources to share with vulnerable families);
- Created 150+ free online resources for children and young people.

Celebrating Age/Ageing Better Programme

Our projects were adapted to connect with elders through more traditional means such as letters, art packs and art materials sent to participants. Regular phone conversations and touch points were introduced, and art projects devised to reflect the experience of the pandemic. Little Earthquake Theatre Company planned activity that engaged elders

and led to a new commission for 2021, The Stolen Year. All of which will combine with the Curator's Club exhibition season in 2021. As a result of additional funding from DCMS for the "Loneliness Project" (designed to combat loneliness and isolation during COVID-19 times) a series of free creative workshops for residents prior to the public reopen was planned and fully attended.

My Favourite Things

A new theatre performance by Jake Oldershaw was commissioned designed to be COVID-19 safe for older people to see from the doorways or windows of their homes. "My Favourite Things" was offered to over 65's to watch from their own home or residential setting. After the performances, audience members were invited to MAC when we reopened to a socially distanced get-together to share their experiences/stories with each other, refreshments and an opportunity to see a film or live show in MAC's programme will follow this in autumn.

Hidden Voices/ Carers Music Fund

The female carers music programme continued with weekly groups successfully attended through zoom sessions led by Music Leaders including women from Home Group (assisted living); Mental Health; Balsall Heath Children Action team; and Resources For Autism Carers. The community programme with adult female carers used music to support well-being, self-esteem and reduce isolation/loneliness. Other sessions included:

- Multiple groups up and running again from diverse backgrounds e.g. Chinese Community Centre, mental health carers, South Asian parent carers;
- Online video sessions using Zoom or WhatsApp, groups have been doing lots from song writing to guided relaxation with live musical accompaniment;
- Online resources bank produced for all carers involved in programme;
- 100 Ukuleles dropped to individual carers, accompanied by instructions and videos from the Music Leaders;
- Over 150 sets of musical activity packs, including materials to make instruments, have been delivered to families who have children with disabilities;
- Moved the whole programme online to enable weekly workshops to continue;
- Provided support via training, access to digital devices & data, mentoring and phone calls for our participants;
- Developed 10 new partnerships with charities and organisations;
- Reached 82 new regular participants;
- Delivered over 150 bespoke activity packs to the doorsteps of our participants and their families which included musical instruments, arts & crafts resources, well-being items and motivational messages;
- For audience members, we've had 127 carers come to at least one session, and the Music Leaders have facilitated 122 music sessions across the program.

ART Connects

We financially supported artist and activist Salma Zulfiqar, director of ART Connects to manage a series of workshops through the year and a special event to mark World Refugee Day 2020. The project supported eight workshops for migrant and refugee women and girls with 213 attendances.

MAC Online

We have gained much experience of digital platforms and our audiences have enjoyed the opportunity to invite MAC's artists and tutors into their homes. Each art producer developed a digital strategy for their programmes that will support access and innovation going forward. If we are truly, a participatory, inclusive organisation we need to explore and invest in digital innovation especially relevant to our MAC Makes Music younger disabled audiences, those geographically based outside of Birmingham wishing to connect with cinema and L&P and those with general access issues.

We are creating two new posts - a Digital Producer in 2021 as well as an Access Producer – both important roles will continue to support inclusive practice (on site and online) and work closely across artistic programmes and audience development.

Associate Artists

During closure we kept in close contact with our Associate Artists supporting them where we could, regarding training and commissioning. MAC is very proud of our Associate programme that invites artists to have a longer-term relationship with us, with a chance to experiment with new R&D activity as individuals or with community groups and audiences, this alongside career advice and business planning. Associates include:

Manmade DanceYouth Company led by Johnny Autin, this dance club attracts an enthusiastic cohort of teen boys, whose purpose is to pursue dance opportunities that might not be readily available in school. Johnny has stayed in touch online with the participants during lockdown through online dance activities.

Little Earthquake Theatre Company, Birmingham based company founded in 2005 by Co-Directors Gareth Nicholls and Philip Holyman.

Jaivant Patel Dance is an award-winning international dancer/choreographer, cultural producer and creative consultant whose work spans queer representation of Indian dance.

Visual Arts

We spent much of 2020/21 rescheduling exhibitions and commissioning new work by artists and partners. All of our international projects needed to be pushed into 2022/23 including Aboubakar Fofana (Mali); Yaya Coulibaly (Mali); Fototala King Massassy (Mali); Adeela Suleman (Pakistan); Dipa Yasmin, Epiphania Visuals (Bangladesh); and UK based/ local artists Caroline Walker; Maxine Walker; Nilupa Yasmin; Maryam Wahid; UKBFTOG (UK Black Female Photographers); Aidan Moesby.

Transforming Narratives

Partners British Council confirmed that based on the current circumstances surrounding the pandemic, their travel advice is that international travel for work engagements remains closed until further notice. In respect to Transforming Narratives programme this is tricky but not unexpected we have rescheduled our planned exhibition with the LGBTQ+ artist collective - Epiphania Visuals based in Dhaka from 2020 into 2022 and will now reframe this as a Commonwealth contribution to the festival in 2022.

MAC is strategically committed to working closely with South Asian audiences and artists. We wish to be recognised as a major contributor to promoting and commissioning artwork by artists of Pakistani, Indian and Bangladeshi heritage and to actively ensure we offer inclusive and exciting opportunities to residents of Birmingham from all cultural backgrounds to enjoy work about the South Asian experience.

Cinema and Screen Based Media

This year saw a seismic change within the cinema industry during which we witnessed an accelerated push towards home streaming. Our cinema producer was furloughed until December and we shut down all screening content until early 2021. We arranged four virtual screenings online. We received a grant of £10k from the British Film Institute to help bolster our reopening, which will help tremendously towards the spring programme. Film distributors have confirmed that most titles will be released later in 2021.

Performance

Like the visual arts we spent most of the year in a constant state of flux, re-scheduling and re-negotiating existing events and deals with artists and promoters based on Government restrictions, and anticipated reduction of capacity to allow for socially distanced seating plans. We endeavoured to transfer or create new content for online audiences though this was not our priority.

In Our Skin by Greg Homann

New commissioned theatre-based project continued during the pandemic. The artist was able to gather interviews with gay men living in Birmingham and Johannesburg. It is supported by The Market Theatre Lab in Johannesburg and will be part of MAC's celebration of Commonwealth in 2022. The project invites gay men in Birmingham to participate in a voluntary confidential 90-minute interview. Transcripts of the interviews will be the basis for a new verbatim play. The aim is to create a conversation between Birmingham and Johannesburg that highlights what it is like to live as a gay man in cities today. It is led by celebrated South African-born theatre director, playwright, and academic, Greg Homann.

Ticketing

On immediate closure in March 2020 we contacted customers by telephone who had booked for live events and courses, 53% of bookers chose to donate or recredit the cost of their ticket to MAC.

Scheduling performances remains tricky with touring companies. A key concern is not competing with ourselves, almost all performers want to reschedule in autumn and winter 2021. There is a backlog of contracted artists who we are committed to and who are dependent on us. We anticipate customers may not wish to see multiple performances in one month of comedy, dance and theatre. We continue to negotiate with companies and review the programme sensibly to balance the programme as effectively for the public as we can and to ensure financial viability. We do not know at this stage how enthusiastic or confident audiences will return to venues particularly when social distancing is fully relaxed indoors.

Spektrix

Ahead of reopening MAC has improved channels across the teams to communicate changes more effectively. The CRM system, Spektrix, has been developed to support household bookings, bubbles and pre-booking for free and digital events. We will continue to offer 'Book with Confidence Guarantee' – a flexible way to purchase future ticketing with refund options. Given the level of detailed audience surveying since closure, customers inform us that they are enthusiastic to return to MAC and book tickets for L&P and family shows during the summer months. We have ensured that communication between MAC and customers remains positive and informative, as we may see an over-demand in some areas of ticketing where capacity is tightly capped e.g. ceramics courses.

Pricing Policy

Our pricing policy reflects our strategy of enabling all within our community, whatever their means, to take part in our activities - to participate in learning activities and attend our events. Our exhibitions offer an opportunity for the public to view, free of charge, new works created by contemporary artists, works on loan from major collections and to see the work of leading artists of our day and to gain experience of ground-breaking art.

Overall, full ticket prices to our live performances and cinema/live event screenings range from between £5 and £22 (or up to £29 for high-profile events). To open access and to reward MAC's loyal/early bookers, we have made a commitment that at least 10% of all our tickets are available for £10 or less, with additional concessions for under 16s and complimentary seats for companions/carers.

Tickets for MAC's learning programme span a broad range of options, from £30-£200, according to the length and nature of the course. We offer a 'saver's scheme' that allows customers to pay for their tickets in instalments to make it more convenient if budgeting. We also regularly offer free, high-quality learning activities for children, young people and families in our public and learning spaces. We fundraise to help make our activities affordable and within the reach of those most in need.

Communications & Digital Engagement

Stay Connected and Keep Creating campaign

During the COVID-19 pandemic, we adapted our Marketing and Communications strategy and found alternative ways to reach our audiences during the physical closure of our venue. We ensured MAC stayed relevant and remained a hub of artistic exploration and learning for our loyal audience base by moving events online, creating bespoke e-comms, commissioning new work and sharing regular organisational updates.

Overview

- Immediately on closure we launched a community campaign called Connected and Keep Creating, encouraging audiences, artists and staff to enjoy art at home;
- Artistic activity took the form of video tutorials, live-streamed events, online film screenings, free art packs, workshops, podcasts, and virtual gallery tours, changing with the demands and needs of those closest to us;
- For those we couldn't reach digitally, we connected through phone calls, an artist-designed postcard and safe in-person music sessions (when possible).

E-newsletters, Website and Social Media

- 20 e-newsletters featuring highlights and upcoming events to 16k subscribers;
- 1000+ social media posts, features, shares and stories;
- 15 surveys (national and in-house) sent to over 10k audiences;
- 64 news articles/blogs published, 3 major updates from CEO & Chair of Board;
- 110,280 website traffic hits (109,359 new users, 386,412 page views);
- 10k Instagram followers, 20k Facebook followers and 82k Twitter followers.

Online Activity and Engagement

- Offered 110 online events (including Hidden Voices and MAC Makes Music activity);
- 32 online events (excluding MAC Makes Music/Hidden Voices) were created either in partnership with, supported, or commissioned by MAC;
- Estimated 10,000+ total audience reach across all online events (including community outreach work);
- Over 600+ sales for ticketed online events;
- 4 virtual screenings with 500+ views;
- 26 free online workshops and tutorials (excluding MAC Makes Music and Hidden Voices);
- 16 online performances and live-streamed events;
- Continued to work with and support local artists by forming partnerships, assisting with marketing, comms and commissioning new work.

Key Updates

- Signed up to the More than a Moment Pledge to work for and with Black artists and creatives in the Midlands and became a key member of the West Midlands Culture Response Unit (WMCRU);
- Redesigned our website to prioritise our MAC at Home campaign;
- Created and regularly reviewed our Event Information FAQs pages to clearly communicate health and safety measures, current plans, funding and awards status/news and future rules of engagement. Alongside refund/credit ticket policies;

- Took part in 5+ national and 3 in-house surveys to track the booking habits and feelings of our audiences.

MAC Ticketed Online Events (Spektrix)

- No of MAC ticketed events on Spektrix - 4 events / 6 instances (not including MAC Makes Music);
- Total Bookers – 543;
- Total Tickets – 629;
- Average Party Size - 1.06 (tickets per household so this is likely to be much more);
- Total Income from Ticket Sales - £2,711.96 (not including online cinema);
- Average Ticket Yield - £5.64.

Audience Demographics

- 11% of online events booked in locked down were for children and young people (not including MAC Makes Music);
- 77% of transactions online – much higher than previous year and should probably be worth mentioning.

Press, Digital and Individual Fundraising

- PR Value of Press and Media coverage - £1.1m;
- Average monthly unique visitors to website 9,190.

Capital Programme

MAC'S ambitious capital programme - planned prior to COVID-19 was completed on time by March 2021. There are some small-scale elements that remain outstanding however due to capacity issues and supplier delays there are rescheduled to be completed later in 2021/22. Major works covered three key areas of capital improvements with a view to an enhanced visitor experience:

1. Creation of a new purpose-built studio and repurposing of existing meeting space into new ceramics studios including a pocket garden - providing lifelong learning, wellbeing and life skills for Birmingham residents through structured informal education.
2. Refurbishment of MAC Café strengthening catering offer, capitalising on opportunities for greater financial return and giving opportunity to local artisan food suppliers in showcasing their work.
3. Digital infrastructure development that demonstrates MAC's ambition by providing cutting-edge new experiences for visitors and participants and enabling MAC's internal and external workforce (staff and artists) to push Birmingham's reputation for innovation.

In November 2020, MAC was awarded £150,500 towards MAC capital through Arts Council England's Kickstart grant programme. The grant addressed the fundraising shortfall due to COVID-19 (cancellation of public campaign), cover the costs of an outdoor digital screen and extend the garden/outdoor amphitheatre project with additional fully accessible toilets. Greater Birmingham and Solihull Local Enterprise Partnership's (GBSLEP) Pivot and Prosper Fund also supported the outdoor amphitheatre rejuvenation project by £35,000.

Workforce & People

Following the decision by the Senior Management Team (SMT) along with the Finance and Governance Committee, that it was not financially viable for MAC to re-open until 2021, the need for reduction in staff costs through redundancies became necessary.

In early June 2020 core staff were offered voluntary redundancy with no obligation on either side to accept the agreement. Roles were subsequently identified at risk of redundancy, while retaining some of the skill base within the organisation. These were shared with the Finance and Governance Committee and in turn the HR Sub Committee were asked by the Finance and Governance Committee to review job roles put at risk and identify all those at risk if there was no work available while the building remained closed to the public and no income generated. The Chair met with the Consultation Forum Representatives and staff representatives in a Collective Consultation. The Collective Consultation process lasted 42 days. Variable (zero) hours staff were not at risk of redundancy and have remained as employees if they so wished. Those who had worked regularly (no breaks in service) and had more than 2 years' length of service were offered the opportunity for voluntary redundancy.

In January 2021 the first stage of new staff structures were agreed - this is the beginning of an on-going recruitment programme that will continue into 2022. Due to the uncertainty of earned income, we anticipate that most teams will remain affected, and are operating at a reduced capacity. SMT and Team Managers review staffing regularly against the new business model. Our strength will be to operate a flexible and common sense approach through this transition period.

Diversity Statement

Beyond expressing solidarity for the Black Lives Matter campaign, we want to use this time to review our organisation's processes from recruitment to contracting and communications to programming and audiences. We want to do better. We will start by participating in More Than A Moment pledge, the West Midlands Arts sector's promise to take radical, bold and immediate action.

We understand that if MAC is to play a relevant and important role in Birmingham, our staff and our programmes need to be reflective and representative of the diversity within the city that we serve, responding to the interests and cultures of those who live and work here. MAC is proactive in its approach to diversity and inclusion and our Equality and Diversity Action Plan is an active tool that enables effective strategic approach and monitoring by staff and Board. At the heart of our approach is a commitment to valuing diversity, treating people with dignity and respect, eliminating discrimination and promoting social cohesion through our organisation and artistic programme.

Throughout the organisation from Board level to all staff teams we will commit financially to resources, training and opportunities to assess and meet measurable targets to ensure progress. We aim for a future where there are no barriers – perceived or real – for individuals to engage with and be a part of MAC, as a member of the workforce, board, volunteer, audience member, participant or artist.

Financial Review

When all commercial trading ceased and MAC closed to the public on 21 March 2020, the Board of Trustees moved quickly to establish revised agile governance arrangements to respond to what was to become unpredictable, fast moving and extremely challenging circumstances, the most significant of which was to be how long the building would have to remain closed.

Responsibility for managing cash flow, risk analysis and management, and continuous assessment of the financial implications of closure and the potential impact on reserves, was delegated to the Finance and Governance Committee by the Trustees, who of course continued to discharge their statutory responsibilities as ultimate decision makers.

The immediate priority was to take action to reduce costs and to access Government and other financial support, primarily from the Coronavirus Job Retention Scheme where 193 members of staff from the total workforce of 206 were “furloughed”, but also from Statutory Sick Pay Relief, the deferral of VAT payments and reductions in business rates. Arts Council England also provided Emergency COVID-19 grant. Without this action Unrestricted Reserves, which at 1 April 2020 stood at £422,291, would quickly be extinguished and the charity would be at risk of closure.

Although parts of the economy would reopen during the summer/autumn of 2020 but then have to close down again, by June 2020 scenario planning by the Senior Management Team, and endorsed by the Trustees, suggested a soft relaunch in the autumn would be too great a risk financially and operationally given the unpredictability of the pandemic and a spring 2021 reopening would be the most appropriate and sensible approach.

This meant that the equivalent of a year’s income from arts activity, which in 2020 was worth £1.5m, and the contribution to the charity from the trading company (approximately £0.4m in 2020) would be foregone and additional cost savings and income generation opportunities would be required to enable MAC to remain solvent.

In early June 2020, Trustees endorsed advice from the Senior Management Team and the Finance and Governance Committee to introduce a voluntary redundancy scheme for core staff, details of which are set out later in this report.

Also in July 2020, MAC was successful in bidding for funding from Round One of the Cultural Recovery Fund (CRF) (a Department for Culture, Media and Sport fund administered by Arts Council England) which provided financial sustainability until 30 September 2020. Sustainability funding was also received from the Garfield Weston Foundation, the Esmée Fairbairn Fast Response Scheme, People’s Postcode Lottery and the British Film Institute (BFI FAN). During the year £23,470 was received in audience donations, £8,400 from MAC’s newly developed membership scheme and £2,714 income from budget friendly online ticketed events. Arts Council England annual grant of £752,747 (£739,146 in 2020) was also paid.

MAC is extremely grateful for the generous support for all these funding sources.

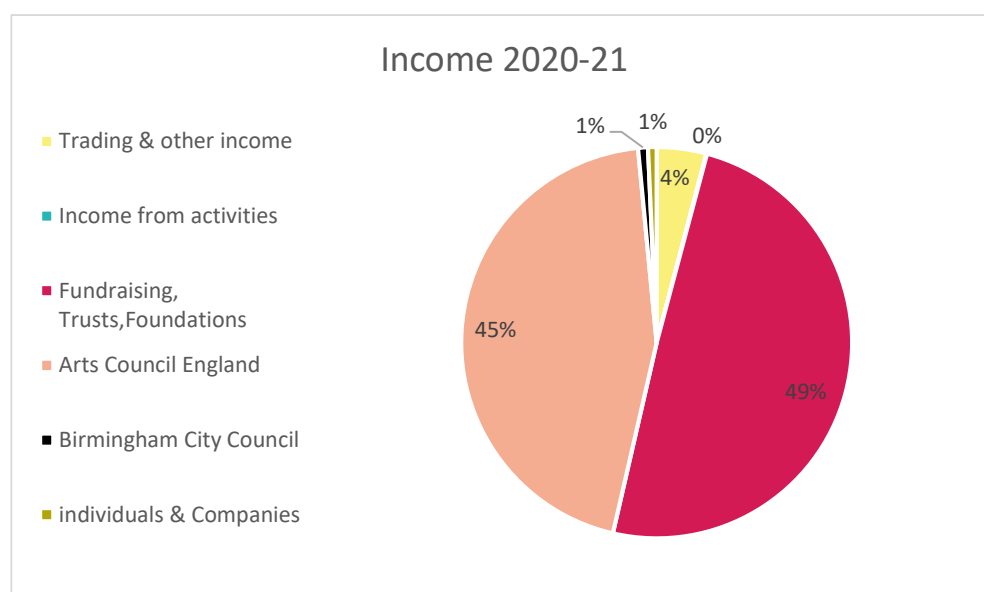
During the financial year MAC received a total of £2,032,300 which can be classified as “COVID-19 support funding” (£293,332 shown in note 3 as unrestricted grants and donations and £1,738,968 shown in note 3 as restricted grants and donations). In round terms this

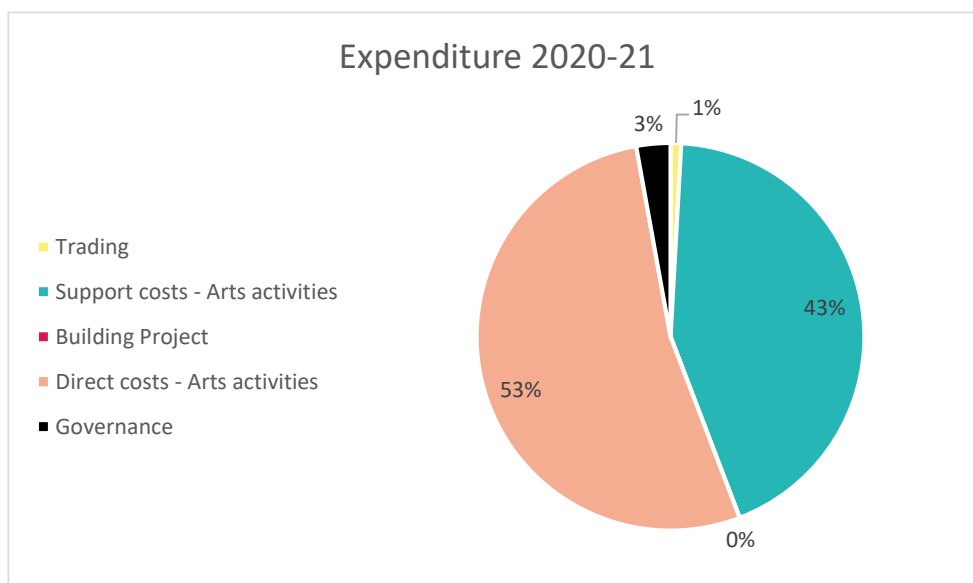
offset income from arts activities and the contribution from the trading company which had been forgone.

Overall there was a relatively small increase (£40,623) in unrestricted reserves at 31 March 2021. The objective of maintaining unrestricted reserves had been achieved.

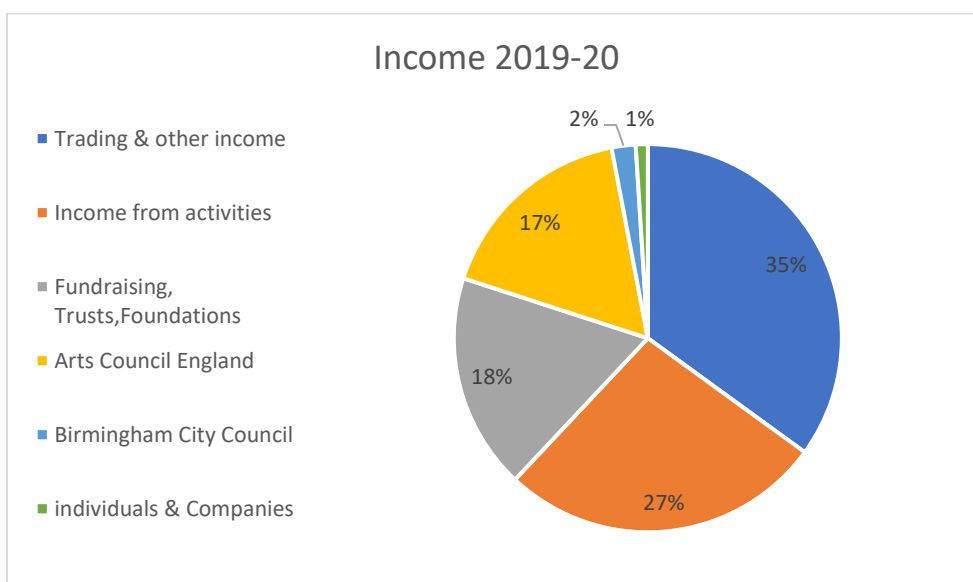
From January to March plans were developed for a gradual relaunch and recruitment to revised staffing structures took place in all departments. As well as the arts programme on-line, at the end of March 2021 an outdoor take-away food offer was launched from MAC's terrace until we were able to re-open the building in May in line with Government restrictions. Although activity and footfall into the building has increased modestly from re-opening to September 2021 and further increases in the arts programme are planned for later in the year, it is extremely difficult to forecast the financial outcome. Careful and prudent financial management, including the levels of reserves required to mitigate any downturn in forecasts will, therefore, be required. Details of the revised reserves policy are set out later in this report.

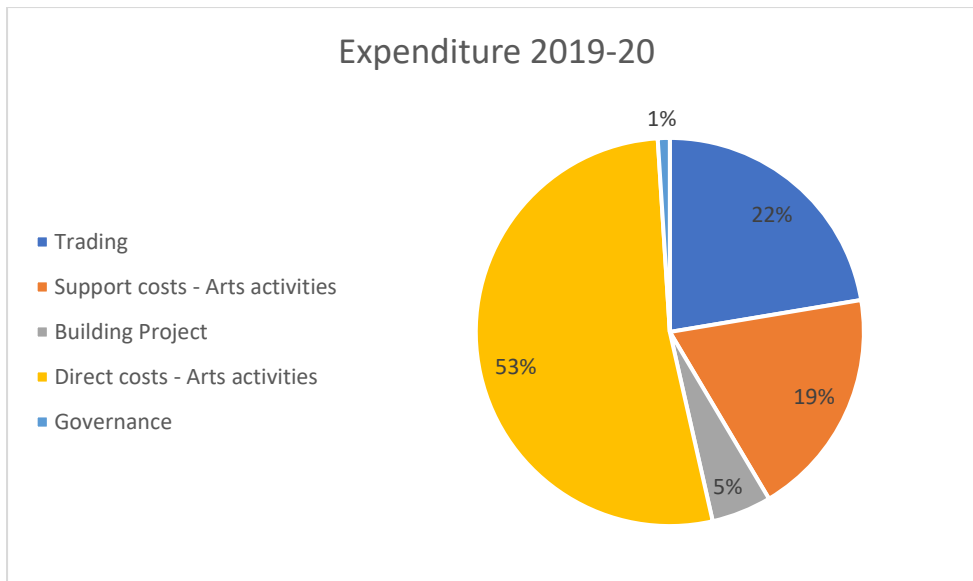
Trustees are nevertheless confident that the mixture of actions taken during the pandemic, the generous financial support received from Trusts, Foundations, Government and other sources, the skill and commitment of all staff and financial prudence for the foreseeable future, will provide the financial stability and continued solvency to allow the charity to pursue its artistic aims and objectives.





Comparison to 2019-20





Above pie charts represents income and expenditure for 2020-21 and comparison to 2019-20.

- During the year, and in light of the prolonged closure of the site, our earned income represented 4% of total income;
- Core funding income from Arts Council England amounted to 45% of total income;
- Grant income from trusts, foundations, corporate and individual giving comprised 51% of total income;
- Wages, including employed artists as tutors, were 44% of total expenditure; and
- Payment to freelance and contracted artists represented 6% of total expenditure; whilst costs of running the building were 3% of total costs.

Principal funding sources

The COVID-19 pandemic has had a devastating impact on MAC's organisational finances, staffing and resources. On closure managers immediately sought to reduce expenditure where possible, including the re-negotiation of existing contracts e.g. ticketing, cleaning.

Arts Council England

MAC is a National Portfolio Organisation (NPO) within the funding programmes of Arts Council England (ACE). 2020/21 was the third year of a four-year funding agreement from 1 April 2018 to 31 March 2022.

We have submitted our updated Business Plan for 2021/22 with renewed documents against Diversity, Digital, Risk Register and Financial Budgets. This has proven to be an intensive undertaking in the lead up to reopening, however, it has been an incredibly useful exercise to undertake working across teams.

Arts Council have requested a copy of the 2022/23 Business Plan with support documents by 15 September 2021. New criteria have been introduced - 'Investment Principles' that feed into their 10-year strategy 'Let's Create', both advocate for community co-creation, wellbeing and diversity. MAC is well placed and experienced to deliver to this guidance.

Birmingham City Council

MAC's final service level agreement ended on 31 March 2020. We do not receive any grant or investment from the culture or arts department of the local authority. We have a formal agreement with BCC to share income derived from Cannon Hill car parking however this is subject to capital costs for the next 24 months.

Players of the People's Postcode Lottery

MAC has been a recipient of an annual award since 2014. The grant in the 2020 calendar year was £375,000 and the 2021 calendar year is confirmed as £350,000. The support of PPL is invaluable, and their grant agreed with them is confirmed to be allocated to artistic programme that engages social issues and community engagement.

In October 2020, MAC received £40,000 from the People's Postcode Lottery Innovation Fund and in February 2021 it was announced that MAC would benefit from a 'bonus' award of an additional £350,000 towards our community programme, to be split into two instalments in July and December 2021.

Fundraising

In 2020/21 we successfully fundraised £2,231,750. Our diverse fundraising strategy focused on emergency and recovery grants. These grants enabled MAC to continue to reach out and connect with the most vulnerable communities, remain financially viable throughout the closure and invest in reopening (programme/public health and facilities) and changing audience attitudes. MAC is registered with the Fundraising Regulator and no complaints have been received to date.

Highlights Include:

- £267,761 from Weston Culture Fund to support ongoing Charity expenditure;
- BFI FAN Exhibition and Emergency Funds awarded MAC £12,000;
- Esmée Fairbairn Emergency Fund awarded MAC £16,917;
- In March 2021, MAC secured a valuable 3-year partnership with Eversheds Sutherland Charitable Trust (£7,500 p/a);
- GBSLEP Pivot & Prosper Fund awarded £35,000 to support work on the Outdoor Arena;
- MAC successfully received £150,000 from Kickstart Capital to invest in Digital Infrastructure and a Changing Places Toilet.

Despite not being open to the public, audiences and visitors continued to support the charity and we received donations including:

- £16,973 donated to MAC when tickets were refunded/cancelled due to COVID-19 closure;
- A further £2,007 was donated to us online as one-off donations;
- In 2020, MAC launched a Supporter's Circle Scheme raising £6,800. This group of donors will be stewarded to increase their gifts and involvement over the forthcoming years;
- £575 gifted to MAC in Memory of Muriel Welsby, a popular visitor to MAC.

Investment Policy

In formulating an investment policy, MAC has recognised that whilst it may have surplus funds to invest, these are likely to be called upon in the short to medium term. The policy therefore is to hold investments in liquid funds so they are available to meet predicted cash-flow needs. In selecting suitable cash deposits the policy is to maximise the return and maintain low transaction costs, whilst ensuring high levels of capital security by minimising credit risk and minimising interest rate risk. Deposits and interest rates are reviewed regularly by the Finance and Governance Sub-Committee. The policy is reviewed on an annual basis.

Reserves Policy

The reserves of the charity have been divided into Restricted funds and General funds in accordance with charity legislation.

The Restricted fund represents money given to MAC for specific capital and project work within the overall aims of the organisation. The funds are analysed between capital and project, as set out in notes 15 and 16 to the accounts. Grants and donations received for capital purposes are accounted for as restricted funds and depreciation of the underlying fixed assets is charged to these funds over their lifetime. Project funds will usually be spent in full within 5 years. The balance on the long-term capital funds represents funds received from donors towards the MAC/Sampad Building Project and for the purchase of fixed assets, less the depreciation charged on an annual basis. Over time these reserves will reduce to zero as the assets are fully depreciated.

The balance on restricted funds as at 31 March 2021 of £4,377,565 includes a balance of £3,050,344 in respect of the capital redevelopment project and £1,327,221 grants and donations received in respect of specific arts projects. These grants and donations include sums from a range of supporters towards future commissions, productions, co-productions, exhibitions and events as part of MAC's longer range artistic programme.

Designated Funds

Following discussion by the Board it was agreed to increase a designated fund to £600,000 (2020: £400,000) to cover risk around getting MAC up and running again, support arts project in preparation for 60th year, promoting MAC in the Commonwealth Games and the small scale capital development project.

Unrestricted Funds

The unrestricted reserves figure of £462,914 including (£550,657) pension liability, £413,571 general funds and £600,00 of designated funds, has been reviewed by the Trustees taking into account of risk around after-effects of COVID-19. They have determined, on the basis of detailed budget and financial planning through to the end of the 2021/22 financial year and thanks to Culture Recovery funding received from Arts Council England and Garfield Weston in particular, that this level is adequate to maintain financial stability. It is recognised that significant risks remain around after-effects of the global pandemic and the economic environment. Hence, the Trustees have agreed that the level of reserves (2 months of budgeted costs) is in line with DCMS recommendation and appropriate in the short term.

Going Concern

The Trustees have considered the effect of the ongoing disruption from the pandemic on the going concern position. They believe the charity will continue to operate for a period of at least 12 months from the date of signing these accounts, due to the strong level of funding already secured with its key partners, Arts Council England and Players of the People's Postcode Lottery, together with grants from a number of major trusts and foundations.

While MAC was closed in 2020/21, the cost base was reduced and MAC was successful in obtaining emergency and other funding, as detailed elsewhere. At the balance sheet date, the charity held significant cash balances. The charity also has a significant level of reserves, enough of which are unrestricted and available to absorb short-term deficits, if required during the transition to more normal operating patterns.

As detailed earlier, Arts Council England has confirmed funding through until 31 March 2022. People's Postcode Lottery funding is confirmed until December 2021 with positive indications of future funding into 2022, and Youth Music funding continues until 2022.

MAC proactively manages cash flow; for much of MAC's income it is paid in advance or on the day. Much of our operating cost is spread evenly across the year apart from payment for capital projects.

The Trustees have considered the charitable company's business planning in the context of known resources and have reviewed the operating basis of the group's operations. A formal business plan for the period to March 2022 has been prepared.

These detailed financial forecasts assume that MAC remains open with activity levels increasing as the year progresses and restrictions ease. They prudently assume no contribution to the charity from the trading company. They have been considered by the Trustees and, together with the commitment from Arts Council England and People's Postcode Lottery, allow the Trustees to be satisfied that the charitable company remains a going concern.

Principal Risks and Challenges

We are committed to sustaining a confident and skilled organisation and providing the best possible creative environment in which to develop our work at MAC, in communities and mostly on line in the past year. Our planning acknowledges the importance of investing in high-quality artistic delivery, people and infrastructure to bring the best work to the widest audience. We regularly monitor risks to enable the successful delivery of our artistic programme and use a range of self-assessment tools, external evaluation and peer review to help us ensure our work reaches our own high standards, supporting excellence whilst ensuring the widest possible participation and engagement.

The Board has constantly assessed the risks to which we may be exposed. A risk register identifies those risks and assigns specific actions and responsibilities for mitigating them. The risk management process is ongoing, and is regularly updated by the Senior Management Team and reviewed by the Board. The Board maintains a watchful eye on financial, reputational and operational risks, efficiency, streamlining operations, processes and practices, to achieve the best and fairest use of our financial

and human resources. The business planning activities are enabling the Senior Management team and Board to make informed business decisions while understanding the risks and opportunities for the organisation and how this might affect MAC's future plans.

Following the closure of the building to the public in March 2020, due to the COVID-19 pandemic, the Finance and Governance Committee continued to meet throughout the period on a more frequent basis to take an overview on the effectiveness of all internal controls, including financial, operational and compliance controls and risk management systems.

The internal systems are designed to meet the Company's particular needs and the risks to which we are exposed, to manage those risks and to provide reasonable assurance that mitigation plans are realistic and likely to be effective going forward. The Committee advises the Board on budgetary controls, recommends steps to ensure financial viability of the organisation, monitoring the receipt of income for both revenue and capital expenditure. The high level risks increased due to the COVID-19 pandemic and are reflected in the table below:

mac : RISK MANAGEMENT 2021		
	NATURE OF RISK	Control Measures
FINANCIAL		
1	Pandemic coronavirus COVID-19 restrictions affect visitor numbers due to reduced capacity. This results in reduced income and inability to pay overheads, staffing, event fees and fixed costs.	Detailed financial modelling of scenarios as they unfold. Monthly financial review. Limit building opening times and staff on shift and stagger re-opening and adjust opening hours to ensure we can meet additional requirements; manage costs against programme and opening the building. Monitor contracts closely to be able to postpone or cancel if necessary.
2	Impact of COVID-19 will reduce income from ticket sales, Trading activities and fundraising. New business model has been developed which is untried and untested.	Flexibility of a new and adapted Business Model to ensure viability of the business. Options include making full use of alternative fundraising streams to support effects of COVID-19 e.g. ACE Emergency Response, Government Job Support Scheme. Scenario financial planning to assess the full costs of opening MAC versus potential income. Reviewing use of the building and outside space for more popular and alternative activities. Promoting individual giving and membership schemes. Continued close working relationships with grant funders and identifying new fundraising opportunities across Charity and Trading.
3	Uncertainty in date of re-opening prior to another wave of COVID-19, delay in the Government roadmap or incidents of infection traced back to the premises resulting in further mandatory closure leading to losses of income when committed to costs.	Cross departmental planning that allows for delay in reopen. Detailed planning of costs. Strategies in place with staffing to lessen the financial impact on the business. Meticulous H & S planning to prevent where at all possible an on-site occurrence and encourage all to maintain 1m social distancing.
4	Once committed to re-opening date, budget agreed and additional staff recruited to manage the building safely, a further delay would increase the baseline costs with no income.	Keep to the timeline through careful planning and remain as flexible as possible with employment contracts and start dates.
5	National Stakeholders and existing funding sources subject to pressure to divert funds to other COVID-19 affected areas resulting in low or no funding/investment in MAC. Instability in the UK/Global economy, stock market and employment affecting the overall propensity and ability for trusts, corporates and individuals to support arts charities. Competitive fundraising market.	Remain alert to Govt, ACE and BCC briefings, constantly review and implement advocacy strategy and activities within Culture Central. Review business plans and budget forecasts to respond to latest intelligence on funding scenario. Work closely with charity leaders to form productive relationships.

LEADERSHIP AND GOVERNANCE		
6	COVID-19 Pandemic leading to staff shortages in key roles due to sickness, self-isolation or key staff moving on as society opens up; the need for change in staffing levels to undertake additional duties to comply with social distancing in public and office spaces and unable to run full arts programme.	Ensure each role has short-term back-up plan; review job descriptions to enable more crossover between departments; constantly review staff who are furloughed; plan ahead on staff levels required for re-opening; retain variable hours staff for flexibility but offer core hours as soon as possible; adjust opening hours to ensure we can meet additional requirements and manage costs against programme; use agency staff if necessary; lateral flow testing and procedure introduced.
7	H & S: Inadequate Health and Safety procedures for the building leading to a potential outbreak of COVID on site and MAC is no longer a safe place to visit due to COVID-19 when building re-opens.	Ensure appropriate professional advice used wherever necessary; Key staff are trained in H & S and specific training for roles as identified by current guidelines. Risk assess each role, provide PPE where applicable to ensure staff and visitor safety; encourage staff to be tested and vaccinated with a proactive approach; make adjustments for social distancing or if not possible change spaces, programme and/or procedures; staff rotation where working remotely.
ARTISTIC		
8	Lack of Artistic product due to 1. Lack of funding during COVID-19 pandemic for artists to create new art, thus leading to less artistic content to present and display. 2. Requirements of social distancing measures may prevent performers working together in rehearsal and on stage. 3. Lack of new art work or different scale of work, artforms and opportunities thus leading to a reductive and restrictive programme of arts.	Promote 2020 rescheduled programme, which is ready for presentation. Identify and focus on strategic partnerships, and be part of key networks, collaborations and co-commissions. Ensure that we can offer artists flexibility with our venue. Ensure that artists can make work at different scales and over a period of time. To support seed funding to help them develop new ideas.
AUDIENCES		
9	Audiences unwilling to return to public buildings following closure due to COVID-19 pandemic and social distancing restrictions resulting in much lower visitor numbers and lower audiences.	Continue to survey widely across audience base to ascertain concerns about reopen, pricing and interests. Review business model to encourage audiences back to MAC based on reduced capacity; robust audience behaviour research; Control access in all public spaces and queues; Strong messaging regarding MAC as a safe place prior to/and when re-open. External support on PR from specialist agencies and professionals. Targeted staff training to support audiences onsite.
TECHNOLOGY		
10	Cyber-attack and Technology crime on increase in pandemic which endangers security of personal and company information; disruption of day to day business, leading to financial losses, data breach or reputational damage.	Key policies embedded at induction and training throughout relevant teams. Ensure key data is encrypted. Guidance sought from external bodies e.g. ICO re data protection; working with specialist company to review our current security and ensure we are up to date with the latest technology and best practice. Cyber defence systems, monitoring and spam filtering in place. Update switches and phone system.
BUILDING, OPERATIONS AND ENVIRONMENT		
11	The ever-changing COVID-19 restrictions impact constantly on the operational running and service delivery adding to the day to day challenge of running a mixed use building.	Have a staged operational plan in place to offer a flexible structure to accommodate changes and ensure MAC follows government regulations at all times.
12	New areas of safeguarding for children, young and vulnerable mean that additional requirements for social distancing in workshops and public spaces will increase responsibility and risk of working with those groups.	Follow Government advice for working with schools and liaise with BCC Safeguarding Department on risk assessments and working practice to ensure compliance. Provide additional equipment PPE and staff support where required.

Future Plans

At the date of signing these accounts, the UK Government's COVID-19 restrictions have eased, and the national vaccination programme has proved successful. The good news is that on the 21 May 2021 we re-opened our doors to the public. Our decision not to reopen earlier was sensible and based on detailed financial forecasting related to charity and trading income and challenges of staff recruitment and training. MAC's venue continues to be a major asset and to remain resilient and profitable our building must work harder for us as we go forward. The recent successful capital programme of new and updated facilities will allow MAC to remain attractive to our growing 1m visitors annually and capitalise on additional income from paid participations, event hire and catering.

To secure the future sustainability of the organisation through 2021/22 and beyond, and to build on significant successes pre-COVID-19 within the business, the Board has developed with the executive a range of measures to ensure viability across trading and charity.

The Business Plan has been updated with new commercial opportunities such as enhancing night-time economy through catering, the rejuvenation of the outdoor theatre to allow for more ambitious events, establishing a new flexible food and beverage offer with a table offer in the main cafe Kiln. All these new areas are positive but in the short-term will need to be regularly reviewed and trialled throughout the financial year to ensure that the targets we have set remain on track.

Already we can see evidence that the demand for our work in participation - traditionally very high - is already positive with strong sales in ticketing from our termly courses for September 2021. MAC will be involved in the HAF (Holidays and Food) Scheme, a national initiative funded by DFE that helps to combat holiday hunger combined with health and fitness and cultural experiences for children and young people in order to provide free spaces for children who are eligible for free school meals, on our holiday learning and participation programme. The partnership will extend through 2021 and into 2022.

The creation of new accessible artist studios with a high standard of environmental performance will strengthen MAC's role as a centre of excellence for participation and diversity as we continue through this transition year. Generally, across our other activities audience confidence is returning moderately well over the summer, as demonstrated in our catering, room hires and arts events, however we need to keep a keen eye on autumn and winter sales and recognise that there is hard work to do to ensure the public return in the numbers we need.

Prior to 1 October 2021, events will be pre-set at maximum social distanced capacity with flexibility to release additional seats as restrictions ease. For events taking place after 1 October events can be at full capacity.

Fundraising

Fundraising is an important part of securing a robust future. During the closure period we asserted a persuasive case for emergency funding and audience development grants raising almost £2m towards sustainability. We need to ensure relationships with

long-term partners remain strong and identify new ones as we test and rebuild our services.

In February 2021, People's Postcode Lottery announced that MAC would benefit from a 'bonus' award of an additional £350,000 towards our community programmes. This is an excellent endorsement of the strength of our outstanding work. In June we secured a £35,000 grant from the Esme Fairbairn Foundation to relaunch the volunteer scheme, 'Fertile Ground' using gardening skills and building horticulture knowledge led by MAC's new Gardener-in-Residence to improve wellbeing and creative experiences for volunteers.

MAC fundraising has continued to attract significant success and during closure in 2020/21 we established a new successful membership scheme. Individual giving remains a priority with a detailed development strategy in operation.

MAC at 60

In March 2022 MAC will be celebrating our 60-year anniversary, this is an excellent time to remind the public of the value we play as a Birmingham brand to the city and their lives. Our plan is not to be complacent, we recognise that customers' behaviours may have changed and it will be a competitive environment going forward, therefore we need to tell our 'story' in fresh and exciting ways.

In order to glean more attention and reposition MAC as a destination venue for cuisine as well as hands-on arts and entertainment, we have employed two new external press and marketing companies. Big Cat, who specialise in hospitality to lead on the relaunch of MAC's new café and restaurant Kiln, their role is to refresh perspective, support internal capacity and training and assert the brand to new customers. East Village Communications, will lead us in to our 60 year anniversary with focus on community engagement and our inclusive ethos.

Trading Forecasting

We are aware that our Trading arm has delivered significant income to the parent Charity over the years. The budget for 2021/22 has been challenging to forecast, given there are so many external variables when we reopened on reduced capacity. We have based footfall projections on artistic programme and previous general visitor numbers on site to forecast earned income budgets for Trading.

The Trading Company will work to a budget that sees the Charity assume a prudent nil contribution at this stage, which can be later reviewed. There are risks for catering targets, however the catering model has changed significantly since 2019/20 with new food and beverage concessions across site, a refurbished café and a new, more experienced café staff management. However, recruitment and training and thus embedding catering staff has proven much slower than we anticipated with a national shortage of trained kitchen staff.

EPOS systems have been updated and can now provide a great deal more accuracy in collecting data and reporting to aid future decision making on menus and operations. Managers are confident that with the new systems in place strong income is achievable

under both models. Monthly reviews will monitor figures carefully and budgets now have a spend-per head template against which to measure. Catering numbers will be reviewed regularly in light of any additional performances and capacity e.g. convert increased visitor numbers into revised Trading budget.

Events Hire

MAC has increasingly relied on Events Hire as an important source of earned income, promoting the distinction of our artistic programme and venue as a unique setting. When setting budgets we had anticipated that Events Hire would take longer to recover from the effects of the pandemic. However, since the reopen we have had a positive level of new bookings and are up on target going into the autumn, in particular a local college has booked spaces to the value of £35,000 at MAC for their students as their building is temporarily refurbished. We realise that there is much work to continue securing companies to use us and with the introduction of online software such as Zoom etc, we need to work harder to encourage clients to feel confident again using our onsite facilities.

We will continue to maximise creative, social and income generation opportunities throughout the premises and new café space with greater strategic push. There will be in the future a greater emphasis on pursuing cross department opportunities with ticket sales (post conference shows) and evening catering.

Artistic programme

Much of the arts programme is rescheduled from the previous year with all budgets restricted. We feared that there would be a delay in high quality live performances touring however the sector appears to be fairly buoyant and we have chosen strategically to focus resources on prioritising local talent.

Going forward MAC continues to work productively in collaboration with major partners e.g. Commonwealth Games Festival towards shared costs. All funding has been secured for the visual arts (free programme) for 2022/23 e.g. for commissions and exhibitions.

We are preparing special projects to celebrate MAC's 60-year anniversary in 2022 and Cannon Hill Park's 150-year anniversary in 2023 with greater focus on community participation.

Board Recruitment

Board recruitment was put on hold during the pandemic to ensure we retained the knowledge and skills of the current board members to support the organisation through closure and re-opening. Recruitment remains critical to ensure that we have an effective, diverse, knowledgeable and committed team of Trustees in place to support MAC's sustainability.

Reference & Administrative Information

Charity Name:	Midlands Arts Centre
Charity Registration Number:	528979
Company Registration Number:	00718349
Registered Office	Cannon Hill Park, Birmingham B12 9QH

Bankers

HSBC Plc 130 New Street Birmingham B2 4JU	Shawbrook Bank Ltd Lutea House Warley Hill Business Park The Drive, Great Warley Brentwood Essex CM13 3BE

Auditors

Cooper Parry Group Limited
Statutory Auditors
Park View
One Central Boulevard
Blythe Valley Business Park
Solihull B90 8BG

Structure, Governance & Management

During the year under review, the following individuals served on the Board of Directors:

Cllr Matt Bennett	Gurdip Bhangoo
Stephanie Dale	Owen Dutton
Daljinder Johal	Sharon Lea
Haseena Lockhat	Mary Martin (Vice Chair)
Greg Lowson (Vice Chair)	Louise McCathie
Linda Saunders	Sue Scholes
James Spencer	Cllr Martin Straker-Welds
Jonnie Turpie (Chair)	Mike Williams

Daljinder Johal, Haseena Lockhat, Gurdip Bhangoo and James Spencer will retire by rotation and, being eligible, Daljinder Johal, Haseena Lockhat and Gurdip Bhangoo will offer themselves for re-election at the forthcoming AGM.

Governing Document

Midlands Arts Centre (trading as MAC) is a company limited by guarantee and a registered charity. It was established on 19 March 1962 (Certificate of Incorporation on Change of Name; 5 December 1990) and its Articles of Association amended to allow for current governance arrangements on 18 November 1992 (11 to 12 Board members); on 15 November 1995 (2 to 3 Birmingham City Council nominated Board members) and on 25 September 2014 (12 to 15 Board members).

The company's object is the promotion of, education in and appreciation of the arts. This primary charitable object is set out in its governing instrument which is its Memorandum and Articles of Association. The company's Mission is to promote innovative, creative arts activities in ways which help to establish them as an important part of people's lives. MAC's principal objectives are to encourage as many people as possible to:

- explore, examine and enjoy the arts activities of others; and
- participate in, and undertake, their own arts activities.

The governing body is the Board whose members are non-executive and unpaid. The Board meets regularly, retains full and effective control over the company and monitors the Executive (see below). The Board is involved in major strategic decisions and has ultimate responsibility for the conduct and financial stability of the arts centre. It seeks to support the Executive in a culture of mutual confidence and trust.

Appointment to the Board of Directors

As set out in the Articles of Association the number of members of the Board (other than those nominated by Birmingham City Council) as specified in article 31 of the Articles of Association is no less than 4 and not more than 15. Birmingham City Council may appoint up to three members of the Board. The Chair and Vice-Chair/s are elected by the Board from amongst their number. Nominees appointed by Birmingham City Council are subject to the appointment processes of those bodies and the guidelines on appointment to public office as they apply to Local Government nominees. Board members at the date of this Report are listed above as all Board members who served during the year under review.

Board Induction & Training

The Chair or Vice Chair, together with the CEO, meet with newly appointed Board members to brief them on: their role and responsibilities as a trustee as outlined the Terms of Reference; their legal obligations under charity and company law; Charity Commission guidance on public benefit; review the content of the Memorandum and Articles of Association, committee and decision-making processes, current business plans and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key documentation is provided in Board inductions including, the current Business Plan and budget, the Mission Statement and artistic, educational, equal opportunities policies, the Memorandum and Articles of Association, the latest annual report and

audited accounts and previous Board papers, to give Board members a full understanding of the organisation.

The Head of Governance and Strategic HR ensures Board members are aware of policies relevant to them and that they complete relevant paperwork, such as their declaration of interests and personal data for monitoring purposes. Board and staff structures are provided including the membership and role of sub-committees, practical information on communications, procedures and timings of meetings.

The Chair meets with all Board members individually for an annual appraisal. The annual Board Away Day provides development opportunities for the Board and identifies further development needs in order for relevant training to be scheduled.

Organisational Structure

The Board of Directors (the Trustees) meets on a regular basis. The Directors delegate the day to day running of the company to the Artistic Director/Chief Executive (CEO) who is assisted by a Senior Management Team.

During the year they were:

Deborah Kermode	Chief Executive and Artistic Director
Michelle Smith	Strategic Operations Director
Hinal Shah	Head of Finance
Lindsey Cook (left Oct. 20)	Head of Sales and Marketing
Sue Longfils	Head of Governance and Strategic HR
Sallyann Pennington	Head of Development

The Board delegates to the CEO full control over the selection and production of all programmes and events presented at, and under the auspices of, MAC. The CEO and the other members of the Senior Management Team generally attend meetings of the Board. The Board appoints members of the Senior Management Team and determines their contracts of employment. The Board monitors the performance of the Senior Management Team and reviews the quality, effectiveness and timeliness of information provided to the Board by the Executive.

The Board has established a Finance and Governance Sub-Committee which reviews the financial performance of the company and plays a full part in strategic business planning. Financial Regulations have been established and approved by the Board of MAC. They are intended to set out the working arrangements by which the Board gives effect to its statutory financial responsibilities, and to its management powers as defined in paragraphs 41 to 43 of the Articles of Association adopted by Special Resolution on 25 September 2014. Further, they provide details of powers delegated to the CEO and managers of the company by the Board in accordance with paragraphs 55 to 56 of these Articles of Association, and to its responsibilities under paragraphs 59 to 62 of these Articles of Association relating to Accounts and Audit.

The CEO is responsible to the Board for the proper administration of the company's financial affairs. The CEO may delegate to the Head of Finance responsibility for internal control and financial systems, day-to-day accounting and preparation of regular management accounts and budgets.

Related Parties

MAC subscribes to or is formally a member of the following organisations, with which it co-operates in the pursuit of its charitable objectives:

- Arts Marketing Association
- Greater Birmingham Chamber of Commerce
- Culture Central
- Future Arts Centres
- The Stage Media Company
- Touring Exhibitions Group
- UK Theatre
- West Midlands Growth Company

The charity's wholly owned subsidiary, Midlands Arts Centre Trading Limited, was established to manage the commercial bar and catering operation and hiring out space and facilities at MAC.

In its work MAC collaborates with a wide range of artistic and community partners.

Pay Policy for Senior Staff

The directors consider the senior management team, comprising the key management personnel of the charity, to be in charge of directing and controlling, running and operating the charity on a day-to-day basis.

The recruitment of the Chief Executive is conducted by the Chair and a panel of Board members. The appointment of members of the senior management team is conducted by the CEO and a Board member. All MAC staff pay levels are referenced to points on the scale used by the National Joint Council for Local Government Services, used by many public and third sector organisations.

Pay awards are negotiated nationally by the relevant Unions with Local Authorities employer representatives. MAC implements any salary increases thus negotiated.

Statement of Directors' Responsibilities

The directors (who are also Trustees of Midlands Arts Centre for the purpose of Charity Law) are responsible for preparing the Annual Report, including the Strategic 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of 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 group for that period. In preparing these financial statements, the directors 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;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate and proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

By Order of the Board



E J Turpie - MBE
Chair



S Longfils
Secretary

28 September 2021

Independent Auditors' Report to the Members of Midlands Arts Centre

Opinion

We have audited the financial statements of Midlands Arts Centre ("parent charitable company") and its subsidiary ("the group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes, 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 parent charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its 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 and the Charities Act 2011.

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 group and parent charitable company 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 12 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' Annual 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.

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' Annual Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (incorporating the directors' report) has been prepared in accordance with legal requirements.

Matters on Which We Are Required to Report by Exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (incorporating the directors' 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 accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 parent charitable company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with those Acts.

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.

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 are detailed below:

Our assessment focussed on key laws and regulations the group and parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Trustee Act 2000, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company and how the group and parent charitable company are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and parent charitable company's control environment and how the group and parent charitable company have applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;

- obtaining an understanding of the group and parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA Senior Statutory Auditor

for and on behalf of:

Cooper Parry Group Limited

Chartered Accountants and Statutory Auditor
One Central Boulevard
Park View
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Date: 12 October 2021

MIDLANDS ARTS CENTRE

Consolidated Statement of Financial Activities

(including consolidated Income and Expenditure Account) for the year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted building project £	Other restricted projects £	2021 Total £	2020 Total £
INCOME						
<i>Donations and legacies</i>	2	34,627	664,983	-	699,610	550,329
<i>Income from charitable activities</i>						
Grants, donations and other income	3	1,064,351	-	2,500,917	3,565,268	1,386,722
Arts activities	4	2,714	-	-	2,714	1,405,312
<i>Income from other trading activities</i>						
Commercial trading operations	5	4,271	-	-	4,271	1,606,585
Office lettings, hire and recharges		156,233	-	-	156,233	174,433
<i>Investment income</i>	2	21,132	-	-	21,132	22,881
Total income		1,283,328	664,983	2,500,917	4,449,228	5,146,262
EXPENDITURE						
<i>Expenditure of raising funds</i>						
Commercial trading operations	6	26,268	-	-	26,268	1,170,729
<i>Expenditure on charitable activities</i>						
Small Scale Building Project Cost	15	-	-	-	-	262,709
Arts activities	6	1,216,438	-	1,735,591	2,952,029	3,793,166
Total expenditure		1,242,706	-	1,735,591	2,978,297	5,226,604
Net income for the year		40,623	664,983	765,326	1,470,932	(80,342)
Transfers between funds		-	-	-	-	-
Net movement in funds for the year		40,623	664,983	765,326	1,470,932	(80,342)
Reconciliation of funds						
Total Fund brought forward		422,291	2,385,361	561,895	3,369,547	3,449,889
Total funds carried forward		462,914	3,050,344	1,327,221	4,840,479	3,369,547

All activities of the Group are continuing and there is no difference between the reported result for the year stated above and that on a historical cost basis.

The Group has no recognised gains and losses other than those included in the Consolidated Statement of Financial Activities.

The notes on pages 40 to 58 form part of these financial statements.

Midlands Arts Centre (Company No. 00718349)

Balance Sheets as at 31 March 2021

		Consolidated		Company	
	Notes	2021 £	2020 £	2021 £	2020 £
FIXED ASSETS					
Tangible fixed assets	9	3,409,632	2,642,624	3,409,632	2,642,624
Investment in subsidiary undertaking	10	-	-	100	100
Total Fixed Assets		<u>3,409,632</u>	<u>2,642,624</u>	<u>3,409,732</u>	<u>2,642,724</u>
CURRENT ASSETS					
Stocks	11	23,876	41,038	-	-
Debtors	12	211,802	505,674	321,678	650,447
Cash at bank and in hand:					
- unrestricted		1,120,061	845,327	980,035	721,457
- restricted – projects		1,327,221	561,895	1,327,221	561,895
- restricted – capital (Small Scale)		-	(27,709)	-	(27,709)
- restricted – capital (lease)		2,413,070	2,413,070	2,413,070	2,413,070
Total Current Assets		<u>5,096,030</u>	<u>4,339,295</u>	<u>5,042,004</u>	<u>4,319,160</u>
LIABILITIES					
Creditors falling due within one year	13	(3,184,564)	(3,096,276)	(3,108,642)	(3,076,241)
NET CURRENT ASSETS		<u>1,911,466</u>	<u>1,243,019</u>	<u>1,933,362</u>	<u>1,242,919</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,321,098</u>	<u>3,885,643</u>	<u>5,343,094</u>	<u>3,885,643</u>
Pension liability	23	(480,619)	(516,096)	(480,619)	(516,096)
NET ASSETS		<u>4,840,479</u>	<u>3,369,547</u>	<u>4,862,475</u>	<u>3,369,547</u>
Represented by:					
RESTRICTED FUNDS	15 & 16	4,377,565	2,947,256	4,377,565	2,947,256
UNRESTRICTED FUNDS					
General Funds	17	413,571	631,771	435,567	631,771
Designated Funds	17	600,000	400,000	600,000	400,000
Pension reserve	17	(550,657)	(609,480)	(550,657)	(609,480)
		<u>4,840,479</u>	<u>3,369,547</u>	<u>4,862,475</u>	<u>3,369,547</u>

The notes on page 40 to 58 form part of these financial statements.

The financial statements were approved by the Board of Directors on 28 September 2021 and signed on its behalf by:



E J Turpie MBE - Chair

MIDLANDS ARTS CENTRE

Consolidated Cash Flow Statement for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
Reconciliation of net incoming/(outgoing) resources to net cash flow from operating activities			
Net incoming/(outgoing) resources		1,470,932	(80,342)
Depreciation charges	9	71,343	71,817
Net interest	2	(21,132)	(22,881)
Decrease/(Increase) in stocks	11	17,162	(6,836)
Decrease/(Increase) in debtors	12	293,874	(203,211)
Increase/(Decrease) in creditors	13	52,811	(237,947)
Net cash inflow/(outflow) from operating activities		<u>1,884,990</u>	<u>(479,400)</u>
CASH FLOW STATEMENT			
Net cash inflow/(outflow) from operating activities		1,884,990	(479,400)
Returns on investments and servicing of finance	(a)	21,132	22,881
Capital expenditure	9	(838,352)	(47,072)
Increase/(Decrease) in cash	(b)	<u>1,067,770</u>	<u>(503,591)</u>

The notes on pages 40 to 58 form part of these financial statements.

MIDLANDS ARTS CENTRE

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2021

(a)	<u>Returns on investment and servicing of finance</u>	2021	2020	
		£	£	
	Interest received	<u>21,132</u>	<u>22,881</u>	
(b)	<u>Increase in cash</u>	2021	2020	
		£	£	
	Balance at beginning of period	3,792,583	4,296,176	
	Net cash flow (note c)	<u>1,067,769</u>	<u>(503,593)</u>	
	Balance at end of period	<u>4,860,352</u>	<u>3,792,583</u>	
(c)	<u>Reconciliation of net cash flow to movements in net funds</u>		£	
	Increase in cash during year being change in net funds		1,067,769	
	Net funds at 1 April 2020		<u>3,792,583</u>	
	Net funds at 31 March 2021		<u>4,860,352</u>	
(d)	<u>Analysis of changes in net funds</u>	At 1 April	Cash	At 31 March
		2020	flows	2021
		£	£	£
	Cash at bank	3,792,583	1,067,769	4,860,352

Notes to the Financial Statements for the Year Ended 31 March 2021

1. Accounting Policies

The principal accounting policies adopted, judgement and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

Midlands Arts Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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.

b Basis of Consolidation

The consolidated financial statements consolidate the results of the parent company and of the subsidiary on a line by line basis. A separate Statement of Financial Activities and income and expenditure account for the charitable company itself are not presented because advantage has been taken of the exemptions afforded by section 408 of the Companies Act 2006.

c Income

Income from arts activities is included in incoming resources in the period in which the relevant activity takes place. Income is deferred when admission fees are received in advance of the performances or events to which they relate.

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income from commercial trading operations is recognised as earned.

Investment income is included in the financial statements as and when receivable and the amounts shown include taxation recoverable thereon, where applicable.

d Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific artistic projects being undertaken by the Trust.

e Donated services

Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included as an estimate based on the value of the contribution to the charity.

f Expenditure and irrecoverable VAT

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the café, bar, room hires and their associated support costs.
- Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

All costs are allocated between the expenditure categories of the Consolidated Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

g Depreciation and impairment

Buildings

Historically, amortisation has been provided on leasehold buildings with effect from 2 April 1984 to write off the expenditure over the remaining period of the lease. However, as the lease is due to be surrendered on practical completion of the new building project it has been fully impaired.

Short-term leasehold improvements and fixtures, fittings and equipment

Depreciation is being provided on short-term leasehold improvements and fixtures, fittings and equipment other than computers in equal annual instalments over their estimated working life of between 3 to 25 years.

Computers

Depreciation on computers is being provided in equal instalments over an estimated working life of 3 years.

Impairment

All long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. In such circumstances the charitable group estimates the future cash flows expected to result from the use of the asset and its disposal and where those are less than the carrying amount an impairment loss is recognised.

h Capital grants

Grants and donations received for capital purposes are accounted for as restricted funds and depreciation of the underlying fixed assets is charged to these funds.

i Stock

Stock is valued at the lower of cost and estimated realisable value.

j Lease rentals

Rentals on operating leases are charged in the revenue account as incurred.

k Pre-production costs

Any costs which are not able to be recycled or resold are written off and are not carried forward to match against production income.

l Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n Pension costs

To meet the requirements of auto-enrolment of staff into a pension scheme, the company offers the NEST pension scheme.

Previous pension schemes available to staff are now closed.

o Going concern

The Trustees have considered the effect of the ongoing disruption from the pandemic on the going concern position. They believe the charity will continue to operate for a period of at least 12 months from the date of signing these accounts, due to the strong level of funding already secured with its key partners, Arts Council England and Players of the People's Postcode Lottery, together with grants from a number of major trusts and foundations.

While MAC was closed in 2020/21, the cost base was reduced and MAC was successful in obtaining emergency and other funding, as detailed elsewhere. At the balance sheet date, the charity held significant cash balances. The charity also has a significant level of reserves, enough of which are unrestricted and available to absorb short-term deficits, if required during the transition to more normal operating patterns.

As detailed in the Report of the Trustees, Arts Council England has confirmed funding through until 31 March 2022. People's Postcode Lottery funding is confirmed until December 2021 with positive indications of future funding into 2022, and Youth Music funding continues until 2022.

The Trustees have considered the charitable company's business planning in the context of known resources and have reviewed the operating basis of the group's operations. A formal business plan for the period to March 2022 has been prepared.

These detailed financial forecasts assume that MAC remains open with activity levels increasing as the year progresses and restrictions ease. They prudently assume no contribution to the charity from the trading company. They have been considered by the Trustees and, together with the commitment from Arts Council England and People's Postcode Lottery, allow the Trustees to be satisfied that the charitable company remains a going concern.

On that basis the Trustees have prepared these financial statements on a going concern basis.

2. Income from Donations and Legacies

	2021 £	2020 £
Grants, Donations and other income - unrestricted		
People's Postcode Lottery	-	275,000
Pinsent Masons pro-bono fees	3,055	4,408
Eversheds pro-bono fees	-	7,125
Fund raising and gift aid donations	31,572	28,796
	<u>34,627</u>	<u>315,329</u>
Investment Income		
Unrestricted	21,132	22,881
Restricted	-	-
	<u>21,132</u>	<u>22,881</u>
Small Scale Capital Development - restricted		
Arts Council England	269,983	-
Greater Birmingham and Solihull Local Enterprise Partnership	365,000	35,000
Saintbury Trust	30,000	-
Edward and Dorothy Cadbury Trust	-	100,000
People's Postcode Lottery	-	100,000
	<u>664,983</u>	<u>235,000</u>

3. Incoming Resources from Charitable Activities

Grants, Donations and other income - unrestricted	2021	2020
	£	£
Arts Council England	752,746	739,146
Arts Council England - Emergency Grant	293,332	139,000
Birmingham City Council - Service level agreement	-	92,400
Other Income	18,273	82,836
	<u>1,064,351</u>	<u>1,053,382</u>

Grants, Donations and other income - restricted

General Projects - Covid 19 support	2021	2020
	£	£
Arts Council England - Culture Recovery Funds 1	680,668	-
Job Retention Scheme	725,222	-
Birmingham City Council	36,400	-
Garfield Weston	267,761	-
Esmee Fairbairn Foundation	16,917	-
BFI	12,000	-
	<u>1,738,968</u>	<u>-</u>

General Projects - other	2021	2020
	£	£
Arts Council England	-	23,521
Spirit of 2012	110,480	68,192
National Foundation for Youth Music	215,715	160,000
Roughley Trust	5,000	5,000
Saintbury Trust	-	10,000
Feeney Trust	4,000	7,250
Esmee Fairbairn Foundation	-	33,833
People's Postcode Lottery	390,000	-
Greater Birmingham and Solihull Local Enterprise Partnership	21,650	-
Other Projects	15,104	25,544
	<u>761,949</u>	<u>333,340</u>

4. Income from Arts Activities

	2021	2020
	£	£
Cinema	27	336,230
Learning and Participation	102	598,450
Visual Arts	117	20,702
Productions and Performances	2,468	308,205
Other Income	-	141,725
	<u>2,714</u>	<u>1,405,312</u>

Income generated from Arts Activities for 2021 and 2020 all relates to unrestricted funds.

5. Income Earned from Trading Operations

	2021	2020
	£	£
Turnover	4,271	1,632,885
Cost of sales	(11,685)	(381,550)
Gross (loss)/profit	<u>(7,414)</u>	<u>1,251,335</u>
Staff costs	-	(631,194)
Other operating costs	(14,583)	(157,985)
Transactions with parent company:		
Facility fee payable	-	(214,000)
Technical and customer services support recharged	-	(38,014)
Room rental payable	-	(180,056)
Licence fees payable	-	(2,200)
Covenanted profit transferred under gift aid	-	(27,886)
Operating (loss)/profit	<u>(21,997)</u>	<u>-</u>
Tax on profit on ordinary activities	-	-
Retained in subsidiary	<u>(21,997)</u>	<u>-</u>
The assets and liabilities of the subsidiary at 31 March were:		
Net current assets	(21,897)	100
Total net assets	<u>(21,897)</u>	<u>100</u>
Aggregate share capital and reserves	<u>(21,897)</u>	<u>100</u>

6. Total Expenditure

	Cinema	Learning and participation	Visual Arts	Performing Arts	Other Restricted Projects	Restricted Building Projects	Trading operations	2020/21 Total	2019/20 Total
	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities									
Staff costs, travel and subsistence	18,141	134,801	27,891	8,467	810,797	-	732	1,000,829	1,989,873
Payments relating to artists	878	143	28,024	10,373	163,868	-	-	203,286	806,833
Materials and consumables	-	4,452	10,973	371	116,461	-	13,532	145,789	794,738
Communications	-	-	-	-	128,388	-	-	128,388	221,038
IT systems providing direct arts support	59	6,517	-	711	71,322	-	4,100	82,709	49,802
Administration	-	371	-	-	34,176	-	1,569	36,116	59,484
Small Scale Building Project Cost	-	-	-	-	-	-	-	0	262,709
Total direct costs	19,078	146,284	66,888	19,922	1,325,012	-	19,933	1,597,117	4,184,477
Support costs allocated to activities									
Premises and services costs	15,839	47,516	18,275	40,206	269,905	-	-	391,741	12,055
Building running costs	15,789	47,366	18,218	40,079	-	-	-	121,452	595,652
HR and administration	30,252	110,007	41,253	93,506	-	-	-	275,018	84,830
IT & Finance	13,301	36,103	15,201	30,403	-	-	-	95,008	232,157
Governance	8,473	33,892	12,707	29,655	-	-	6,335	91,062	42,332
Operations and planning	26,623	106,490	39,934	93,178	140,674	-	-	406,899	75,102
Total support costs	110,277	381,374	145,588	327,027	410,579	-	6,335	1,381,180	1,042,127
Total costs - 2020-21	129,355	527,658	212,476	346,949	1,735,591	-	26,268	2,978,297	-
Total costs - 2019-20	419,971	1,275,131	680,996	1,085,673	331,395	262,709	1,170,729	-	5,226,604

Support costs have been allocated to activities on a percentage linked to direct costs.

£1,735,591 (2020: £594,104) of the above costs were attributable to restricted funds. £1,242,706 (2020: £4,632,500) of the above costs were attributable to unrestricted funds.

7. Charitable Expenditure

Expenditure includes:	2021 £	2020 £
Auditors' remuneration		
- in respect of audit	12,005	12,893
- for specialist advice (all holding company)	4,893	-
Depreciation – owned assets	<u>71,343</u>	<u>71,816</u>

8. Staff Costs

	2021 £	2020 £
Wages and salaries	1,458,754	2,233,272
Social security costs	99,857	138,127
Pension costs	<u>30,707</u>	<u>40,189</u>
	<u>1,589,318</u>	<u>2,411,588</u>

Redundancy amounts of £70,356 (2019 : Nil) were paid to 36 employees during the reporting year. No individual payment was above £7,000. Holiday pay of £4,183(2020: £2,029) is included in provisions.

The company contributes to the Pension Scheme for Administrative and Technical Staff in the Arts, which is a national scheme of the defined benefit type. The scheme is closed to new members. The company has also established a defined contribution scheme with NEST.

	2021 Number	2020 Number
The number of employees whose remuneration fell within the band £60,000 to £69,999	<u>1</u>	<u>1</u>

Trustees' and key management personnel remuneration and expenses

No trustee received reimbursed expenses during the year. (2020: £172)

The total amount of employee benefits received by key management personnel is £252,363 (2020: £263,249)

Key management personnel are set out on page 26 of this report.

The average number of employees in the year was as follows:

	2021 Number	2020 Number
Business and administration staff – Full time	21	30
Business and administration staff – Part time	40	58
Arts team – Full time	6	8
Arts team – Part time	73	74
Catering, bar and events staff	<u>14</u>	<u>43</u>
	<u>154</u>	<u>213</u>

9. Tangible Fixed Assets

Consolidated and Company	Leasehold land and buildings £	Leasehold Improvements £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2020	4,781,492	184,376	439,487	156,850	5,562,205
Additions	-	800,485	31,985	5,882	838,352
At 31 March 2021	4,781,492	984,861	471,472	162,732	6,400,557
Depreciation					
At 1 April 2020	2,368,422	81,649	365,583	103,928	2,919,582
Charge for year	-	18,760	32,219	20,364	71,343
At 31 March 2021	2,368,422	100,409	397,802	124,292	2,990,925
Net book values					
At 31 March 2021	2,413,070	884,452	73,670	38,440	3,409,632
At 31 March 2020	2,413,070	102,727	73,905	52,922	2,642,624

In 2012 and 2014 there were additions of £2,185,000 and £228,070 to leasehold land and buildings representing the amount payable under a development agreement in respect of a lease premium due on the granting of a new lease to MAC upon the final completion of the building project. A corresponding creditor has been recognised to reflect the payment due.

As the lease has not yet been signed, no depreciation has been charged on the capitalised amount.

For further details see note 21.

10. Investment in Subsidiary Undertaking

The company owns 100% of the issued share capital of Midlands Arts Centre Trading Limited, a company registered in England and Wales, and whose principal activity is the provision of catering services, event sales and hire. The results of the subsidiary undertaking are set out in note 5.

11. Stock (Consolidated Only)

	2021 £	2020 £
Catering and bar stocks	6,536	14,301
Retail Stock	17,340	26,737
	<u>23,876</u>	<u>41,038</u>

12. Debtors

	2021	Consolidated 2020	2021	Company 2020
	£	£	£	£
Amounts falling due within one year				
Due from subsidiary undertaking	-	-	126,753	173,572
Other debtors	25,364	135,094	12,195	109,930
Prepayments	65,564	103,182	62,564	100,182
Accrued income	120,874	267,398	120,166	266,762
	<u>211,802</u>	<u>505,674</u>	<u>321,678</u>	<u>650,446</u>

13. Creditors

	2021	Consolidated 2020	2021	Company 2020
	£	£	£	£
Amounts falling due within one year				
Trade creditors	350,312	181,473	295,972	167,139
Taxation and social security	(61,010)	55,673	(61,007)	62,900
Other creditors	2,443,471	2,448,063	2,443,471	2,448,063
Accruals	283,230	132,148	269,271	125,582
Deferred income	75,177	185,535	67,551	179,174
Pension liability	93,384	93,384	93,384	93,384
	<u>3,184,564</u>	<u>3,096,276</u>	<u>3,108,642</u>	<u>3,076,242</u>

14. Operating Leases

The total minimum lease payments due by the charitable company at 31 March 2021 in respect of non-cancellable operating leases are as follows:

	Consolidated Other operating leases		Company Other operating leases	
	2021	2020	2021	2020
Within one year	1,009	9,311	1,009	9,311
Within one and two years	2,901	7,361	2,901	7,361
Within two to five years	4,720	438	4,720	438
	<u>8,630</u>	<u>17,110</u>	<u>8,630</u>	<u>17,110</u>

15. Restricted Funds (Charity And Group)

	Capital Development £	Small Scale Capital Development Project £	Projects (note 16) £	Total £
At 1 April 2020	2,413,070	(27,709)	561,895	2,947,256
Incoming resources				
Incoming resources (note 3)	-	664,983	2,500,917	3,165,900
Total incoming resources	-	664,983	2,500,917	3,165,900
Resources expended				
Building Project costs	-	-	-	-
Arts activities	-	-	(1,735,591)	(1,735,591)
	-	-	(1,735,591)	(1,735,591)
At 31 March 2021	2,413,070	637,274	1,327,221	4,377,565

Small Scale Capital Development Project is ongoing.

16. Analysis of Restricted Project Funds (Charity and Group)

	1 April 2020 £	Incoming resources £	Resources expended £	31 March 2021 £
National Foundation for Youth Music Youth music inclusion programme working with children and young people in challenging circumstances	-	215,715	(137,161)	78,554
Covid - 19 Support funds*	-	1,738,968	(1,417,890)	321,078
Other Projects*	561,895	546,234	(180,540)	927,589
Total	561,895	2,500,917	(1,735,591)	1,327,221

* Refer to note 3 for list of supporters

Comparison to financial year ended 31 March 2020

	1 April 2019 £	Incoming resources £	Resources expended £	31 March 2020 £
National Foundation for Youth Music Youth music inclusion programme working with children and young people in challenging circumstances	-	160,000	(160,000)	-
Other Projects*	559,950	173,340	(171,395)	561,895
Total	559,950	333,340	(331,395)	561,895

* Includes sums from a range of supporters including Bryant, Roughley, Saintbury, Feeney, Garfield Western and William Cadbury towards commissions, productions, co-productions, exhibitions and events as part of MACs' longer range artistic programme.

17. Unrestricted Funds (Group)

	General Funds £	Designated Funds £	Pension Funds £	Total £
At 1 April 2020	631,771	400,000	(609,480)	422,291
Net incoming resources before transfers	(13,260)	(4,940)	58,823	40,623
Transfer of funds	(204,940)	204,940	-	-
At 31 March 2021	413,571	600,000	(550,657)	462,914

UNRESTRICTED FUNDS (Charity)

	General Funds £	Designated Funds £	Pension Funds £	Total £
At 1 April 2020	631,771	400,000	(609,480)	422,291
Net incoming resources before transfers	8,736	(4,940)	58,823	62,619
Transfer of funds	(204,940)	204,940	-	-
At 31 March 2021	435,567	600,000	(550,657)	484,910

At the year end, the designated funds are allocated £600,000 (2020: £400,000).

- £300,000 towards transition cost – risk around getting MAC up and running again
- £200,000 towards 60th year art projects and promoting MAC in the Commonwealth Games
- £100,000 towards small scale capital development project.

In accordance with the requirements of FRS 102 MAC has recognised a pension liability of £550,657.

Comparison to financial year ended 31 March 2020

	General Funds £	Designated Funds £	Pension Funds £	Total £
At 1 April 2019	503,294	685,526	(711,951)	476,869
Net incoming resources before transfers	(157,049)	-	102,471	(54,578)
Transfer of funds	285,526	(285,526)	-	-
At 31 March 2020	<u>631,771</u>	<u>400,000</u>	<u>(609,480)</u>	<u>422,291</u>

At the year end, the designated funds are allocated £400,000 (2020: £400,000).

- £200,000 towards committed arts projects;
- £200,000 towards small scale capital development project.

In accordance with the requirements of FRS 102 MAC has recognised a pension liability of £609,480.

18. Analysis of Group Net Assets Between Funds

	Unrestricted Funds Consolidated £	Restricted Funds Consolidated £	Total Funds £	Unrestricted Funds Company £
Fund balances at 31 March 2021 are represented by:				
Fixed assets	359,288	3,050,344	3,409,632	359,388
Stock	23,876	-	23,876	-
Debtors	211,802	-	211,802	321,678
Cash at bank and in hand	1,120,061	3,740,291	4,860,352	980,035
Creditors	(771,493)	(2,413,070)	(3,184,563)	(695,572)
Provisions / Pensions	<u>(480,619)</u>	<u>-</u>	<u>(480,619)</u>	<u>(480,619)</u>
	<u>462,914</u>	<u>4,377,565</u>	<u>4,840,479</u>	<u>484,910</u>

The designated funds within unrestricted funds are represented by cash at bank.

Comparison to financial year ended 31 March 2020

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 March 2020 are represented by:			
Fixed assets	229,554	2,413,070	2,642,624
Stock	41,038	-	41,038
Debtors	505,674	-	505,674
Cash at bank and in hand	845,327	2,947,256	3,792,583
Creditors	(683,206)	(2,413,070)	(3,096,276)
Provisions / Pensions	(516,096)	-	(516,096)
	<u>422,291</u>	<u>2,947,256</u>	<u>3,369,547</u>

The designated funds within unrestricted funds are represented by cash at bank.

19. Financial Activities of the Charitable Company

The financial activities shown in the consolidated statement of financial activities includes those of the company's wholly owned subsidiary.

A summary of the financial activities undertaken by the parent charitable company is set out below:

	2021 £	2020 £
Gross incoming resources	4,418,689	3,996,119
Total expenditure on charitable activities	(2,834,699)	(3,771,421)
Governance costs	(91,062)	(42,332)
Net (outgoing)/incoming resources for the year	<u>1,492,928</u>	<u>182,366</u>
 Total funds brought forward	 <u>3,369,547</u>	 <u>3,449,889</u>
Total funds carried forward	<u>4,862,475</u>	<u>3,632,255</u>
 Represented by:		
Unrestricted funds	435,567	631,771
Designated funds	600,000	400,000
Restricted funds	4,377,565	2,947,256
Pension funds	(550,657)	(609,480)
	<u>4,862,475</u>	<u>3,369,547</u>

20. Lease Commitments

The charitable company has a commitment to pay a peppercorn rent expiring after more than five years on the leasehold land and buildings at Cannon Hill Park.

21. Capital Commitments and Contingent Liabilities

MAC is committed to make a contribution towards the capital development projects.

Small Scale Capital Development Project

MAC started an extensive refurbishment project in January 2020 which is was successfully completed in March 2021. There are some small-scale projects that are on-going such as the new terrace fence and changing room toilets. Project funding was secured through Arts Council England, Greater Birmingham and Solihull Local Enterprise Partnership and other trusts and foundations. Due to the after effects of the COVID-19 pandemic, project budget anticipated to be overspend. The Trustees have therefore designated £100,000 towards the project to cover these costs.

Capital Project 2010

At the date of signing the accounts, an amount of £2,413,070 has been recognised in fixed assets as a capitalised lease premium with a corresponding creditor recorded in accruals.

The charitable company is the representative member of a VAT registration group with its subsidiary company. The parent and subsidiary are jointly and severally liable for any VAT due from the representative member.

22. Tax Status

As a charitable company, Midlands Arts Centre, is exempt from tax on income and gains falling within Sections 481-489 of the Corporation Taxes Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company. The trading subsidiary has no profits which are subject to taxation under the provisions of the Income and Corporation Taxes Act 2010.

23. Pensions

- **NEST Pension**

The Company offers the NEST pension scheme to meet the requirements of auto-enrolment of staff into a pension scheme.

- **The Pension Scheme for Administration and Technical Staff in the Arts (PSATSA)**

The company participates in the scheme, a multi-employer scheme which provides benefits to 7 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with

documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 31 March 2019. This valuation showed assets of £21m, liabilities of £23.2m and a deficit of £2.3m. To eliminate this funding shortfall, the participating employers have agreed to continue to pay contributions to the scheme based on their calculated share of the shortfall. The contributions of MAC are as follows:

Deficit contributions

From 1 June 2017 to 31 August 2027:	£93,384 per annum

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	2021	2020
	£	£
Present value of provision		
Pension liability due in a year	93,384	93,384
Pension liability due after a year	457,273	516,096
Present value of provision	<u>550,657</u>	<u>609,480</u>

Reconciliation of opening and closing provisions

	Period Ending
	31 March 2021
	£
Provision at start of period	609,480
Unwinding of the discount factor (interest expense)	34,561
Deficit contribution paid	(70,038)
Remeasurements - impact of any change in assumptions	-
Remeasurements - amendments to the contribution schedule	(23,346)
Provision at end of period	<u>550,657</u>

Statement of Financial Activities impact

	Period Ending
	31 March 2021
	£
Interest expense	34,561
Remeasurements - impact of any change in assumptions	-
Remeasurements - amendments to the contribution schedule	-
Contributions paid in respect of future service	23,346
Costs recognised in income and expenditure account	-
	<u>57,907</u>

Assumptions

	31 March 2021	31 March 2020
	% per annum	% per annum
Rate of interest	0.7%	2.4%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

24. Members

The charity is incorporated as a company limited by guarantee and, in accordance with the Memorandum of Association of the company, every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required, not exceeding one pound. The number of members at 31 March 2021 was 16 (2020:16).

25. Related Party Transactions

A number of the Trustees of Midlands Arts Centre have interests in organisations which have provided support and funding to the charity in the year. The Trustees have considered the disclosure requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) and of Financial Reporting Standard 102, and consider that the transactions requiring disclosure are as follows:

Greg Lowson, Trustee, is Managing Partner of Pinsent Masons, a firm the charity uses for the provision of legal services. Pro-bono fees donated by Pinsent Masons are disclosed in note 2 to the accounts.

Owen Dutton, Trustee, is a Senior Associate of Eversheds Sutherland, a firm the charity used in the year ending 31 March 2020 for the provision of specialist advice in relation to the Small Scale Capital Development Project. Pro-bono fees donated by Eversheds Sutherland are disclosed in note 2 to the accounts.

Transactions with the charity's totally owned subsidiary, Midlands Arts Centre Trading Limited, are described in note 5 to the accounts and year-end balances are in note 12.

26. Ultimate Controlling Party

MAC is controlled by its Board of Trustees.