



**THE MAC (METROPOLITAN ARTS CENTRE)
(COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Andrew Cowan (resigned 20 March 2023)
Colm Devine
David Gavaghan (resigned 23 June 2023)
Ray Hutchinson (Chairman)
Louise O'Boyle
Karen Shaw (resigned 14 August 2023)
Dorothy Wilson
Kim Spence

Registered office

10 Exchange Street West
Belfast
BT1 2NJ

Solicitors

Edwards & Co. Solicitors
28 Hill St
Belfast
BT1 2LA

Bank

Ulster Bank Limited
11-16 Donegall Square East
Belfast
BT1 5UB

Registered auditors

Harbinson Mulholland
Centrepoint
24 Ormeau Avenue
Belfast
BT2 8HS

Recognised as a charity by HM Revenue and Customs under number

XR26229

Company number

NI022945

Charity registration number

NIC100808

TRUSTEES' REPORT (including the Strategic Report)

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31 March 2023

1. Structure, Governance and Management

Governing Document

The company was incorporated on 26 July 1989 as The Old Museum Arts Centre and changed its name to The MAC (Metropolitan Arts Centre) on 14 October 2010. The MAC (Metropolitan Arts Centre) is a company limited by guarantee with charitable status and is registered under company number NI22945. It is accepted as a charity by the Inland Revenue under reference XR26229.

The company has been registered with the Charity Commission for Northern Ireland from 3 November 2014 under registration number NIC100808.

The charitable objective of the company as stated in its Articles of Association is:

“the advancement of education in Northern Ireland in relation to the arts and in particular by the provision of a centre for use in instruction in the various arts (visual, performing, musical and literary) and which may also be used for training in any such activities or for the performances, readings or exhibits and so that the policy governing the use of the centre shall not discriminate on the grounds of religion, political opinion, race, colour, ethnic origin, sex or age.”

There have been no amendments to the governing documents in the year.

Governance Structure

The MAC (Charity) Board is comprised of up to 15 trustees who meet at least 4 times per year. The trustees are also directors of the company for the purposes of company law. The term of office for trustees is 4 years, with the option to serve a maximum of 2 terms. The Board's key responsibilities include setting out the vision, mission and values of the MAC, agreeing the strategy to deliver the vision and mission, agreeing the charity's governance structure and policies and ensuring the protection of the capital asset.

The Charity has established a wholly owned subsidiary, the MAC Trading Company Ltd (TradeCo), a company limited by shares which has a service level agreement with the Charity which provides a licence to TradeCo to carry out artistic programmes and ancillary trading in the building and sets out the commercial relationship between the two companies. Any profits are gifted to the charity in their entirety.

The Board has set out the functions of sub-committees, officers, the chief executive and other staff in clear delegated authorities and monitors their performance. In carrying out their responsibilities, trustees remain mindful of their commitment to upholding the values of accountability to stakeholders, probity and transparency.

Sub-committees

Audit and Risk/Finance and Remuneration and Nominations sub-committees are in place to deal with specific issues as required.

The Audit and Risk/Finance sub-committee meets monthly with at least 4 of the meetings each year being audit and risk focussed. All members of the sub-committee are non-executive directors. The sub-committee is chaired by the Charity Treasurer who has significant, recent and relevant financial experience. The sub-committee includes two other members from the Boards, neither of whom is the Chair of the Charity.

The Remuneration and Nominations sub-committee meets as required on an ad hoc basis. All members of the sub-committee are non-executive directors. The sub-committee is chaired by the Charity Chairman, includes the Chairman of TradeCo and at least two other members drawn from the Charity Board one of whom has significant HR skills and experience.

TRUSTEES' REPORT (including the Strategic Report) (CONT'D)

2. Objectives and Activities

The MAC aims to contribute to the ongoing transformation of Northern Ireland through the creation of, participation in and appreciation of outstanding art.

We seek to achieve this overarching goal by supporting artists in the creation of excellent art and by delivering programmes which make this art accessible to as many people as possible. Our artistic programme aims to entertain, connect people to art, and address social issues relevant to the people we work with, and the people of Northern Ireland.

In 2022/2023 we delivered a curated programme of artistic events across (i) Visual Art, (ii) Creative Learning & Engagement and (iii) Live Events which attracted and inspired over 220,000 visitors. During this year the MAC brought internationally acclaimed artists to Northern Ireland to share their artwork with local people, at the same time as platforming emerging, mid-career and acclaimed local artists. We worked with national partners and communities to explore social inequalities and injustices through art and creativity.

As we continued growing back audiences post covid, the MAC worked on a revised marketing and audience development plan. This strategy aimed to deepen relationships with audiences who had already re-engaged since 2020, but also aimed to reengage a large proportion of past bookers who had not yet revisited. Our exciting programme of events also gave opportunities to continue to attract new audiences to the MAC.

In discussing these challenges we looked particularly at the MAC's strategic priorities of **Imagination, Social Change and Belfast** and what these could mean for audiences. We developed a brand lead marketing campaign that would underpin marketing and communications into 2023/24 and beyond. This research highlighted the importance of the building itself and the 'space' that the MAC represented for people, whether for art, community, time to think or to work. It encouraged us to think of a wider view of the MAC, aligning with our new strategic vision and promoting not only the artistic programme but the social, creative, and transformative elements of the organisation itself.

An overview of 22/23

- The MAC has been rebuilding audiences after the disruption caused by Covid, and we anticipated this would take a number of years to return to pre-Covid levels.
- In 2022/23, our number of people who made a booking each year was back to pre-pandemic levels, standing at 14,618 bookers. This is number of individual bookers and not number of tickets.
- There is still a long way to go with rebuilding and sustaining ticket sales at pre-pandemic levels.
- Annual footfall for 2022/23 was 220,000, and we moved from a 5 to 6 day per week opening from July 2022.

Our aim is to strengthen the MAC's position, so it continues to be a vibrant civic space where people can access, and participate in brilliant art.

The MAC is in the business of imagination

We value creativity on our stages and galleries and in everything we do.

TRUSTEES' REPORT (including the Strategic Report) (CONT'D)

Visual Art

In 2022/23 the MAC presented exhibitions which created significant profile-raising opportunities for artists at a critical stage of their careers as well as curating exhibitions which platformed emerging artists practices here in Northern Ireland. In addition to this developmental work the MAC continued to curate major presentations of internationally renowned artists with huge public appeal.

Our programme opened with an exhibition across all three of our galleries by Scottish artist **Claire Barclay: Thrum** ran from 15 April 2022 - 3 July 2022.

Claire Barclay is a visual artist recognised for producing large-scale sculptural installations created in response to specific contexts. Her works are immersive sensory experiences that explore our interactions with materials and functionality, by combining formal elements that evoke thinking around the “psychological relationships between human beings and the objects that we live with and produce.”

In this exhibition Barclay includes a series of tactile sculptural environments, where large-scale forms, made predominantly from fabrics and metals, “suggest textile narratives and explore our complex relationships with cloth.” Historical connections between the West of Scotland and Northern Ireland have become a focus while evolving the artworks.

This exhibition was realised in partnership with Stephen Friedman Gallery, London.

This was followed by a major exhibition by **Ron Mueck** between 29 July - 5 Nov 2022. This was the first exhibition of Mueck’s work in Ireland and brought together seven of his key works including *Dead Dad*, 1997 and his monumental work *In Bed*, 2005.

Ron Mueck’s sculptures each reflect an inner world of private feelings with unsettling power. The artist’s intimate, understated meditations on universal experiences, of compassion, vulnerability, fear and loss, draw each viewer to their own reflection.

This exhibition was realised in partnership Mueck’s gallery Thaddaeus Ropac London & Paris and with loans from The Fondation Cartier pour l’Art Contemporain as well as private lenders.

We ended the year with **New Exits - 10 Years of Painting Shows** an exhibition curated by Dougal McKenzie & Hugh Mulholland which ran from 9 Dec 2022 - 26 Mar 2023.

New Exits whilst set within the context of the many significant painting exhibitions the MAC has presented since its inception, was primarily an opportunity to draw attention to and celebrate the painting practices that have emerged and continue to flourish through the work of graduates of the BA and MFA Fine Art courses at Belfast School of Art since 2012. The exhibition acknowledged the close relationship and interdependencies of the Belfast School of Art and the MAC and how our proximity to each other has informed our work and contributed to our understanding of what it means to be a contemporary painter today.

Live Events

2022/23 saw a significant change from pre-Covid MAC Live Events programme budget levels, which were reduced by 55% from 2019, markedly impacting producing, co-producing, and presenting opportunities. Nevertheless, the MAC sought to present an artistically ambitious, innovative, and balanced core programme alongside strategic Festivals and likeminded artistic partners who co-presented or hired the theatre spaces.

The programme covered a diverse range of art forms presented in collaboration with local, national, and international partners with programming choices reflecting contemporary artistic practice, sectoral, cultural, political, and social issues comprising new and extant work from emerging and established artists and organisations.

TRUSTEES' REPORT (including the Strategic Report) (CONT'D)

The programme of work and associated schemes contained a practical commitment to the development of artists and companies across all live event disciplines, at every stage in their career, providing a platform for NI based artists to develop and present their work. Simultaneously, the MAC engaged with and presented work from the national and international arena.

Featuring highly was the presentation of theatrical work produced and centred in and of the Belfast and Northern Irish experience.

Two popular and well received Christmas theatre productions were also NI produced - The family focused *Cinderella*, co-produced with internationally acclaimed NI based children's theatre company **CahootsNI** and former Derry Girl Ma, **Tara Lynne O'Neill** and **Chris Robinson** lifted adult spirits with *On the Shelf*.

In contemporary dance we presented internationally acclaimed *Political Mother* by the **Hofesh Shechter Company**. Dance training opportunities were provided through the **Akram Khan Summer Intensive** and by **DU Dance's Unanimous**. Comedy at the MAC included **Gearoid Farrelly**, **Emer Maguire** and **Jen Brister**. In spoken word, **Stephen James Smith** presented *Midnight Mango* as part of Belfast Pride.

NI based music talent also featured heavily with a dramatically staged concert by **Katie Richardson/Hex Hue** entitled *Lucent* with over 15 musicians onstage. A re-imagining of **Neil Young's Harvest**, led by **Donal Scullion**, featured a band of 12 musicians. **Duke Special** and Friends staged *It Was Only a Dream* featuring seven musicians. Acclaimed guitarist **Colin Reid** performed *Across the Fields* and the Ulster Touring Opera presented **Rossini's The Barber of Seville**.

A particular highlight was the MAC produced *Derry Girls Reunion*, featuring interviews with Bafta winning writer Lisa McGee and members of the cast, which, served an important purpose by fundraising and raising awareness of the wider work by the MAC Creative Learning Team and Associate Partners.

The MAC supported the development of Northern Irish artists through schemes providing space, funding, and professional support. Through *Space to Create*, the MAC provided **40 live event artists with over 70 days of free space** to facilitate the development of new work. **Alice Malseed, Catherine Rees, and Clodhna McAllister** were our three **HATCH** artists, who along with **Artist in Residence**, internationally renowned pianist, **Ruth McGinley**, were provided with bursaries, free workspaces in venue and mentoring and advice from MAC staff and associates.

The MAC also presented a significant number of multi-disciplinary art form events as part of the Belfast International Arts Festival 60th anniversary, the Belfast Children's Festival 25th anniversary and the Northern Ireland Science Festival 10th anniversary programmes. Other Festivals included the Outburst Queer Arts, Belfast Pride, and Belfast Media Festivals. Over the summer months the MAC welcomed youth and community theatre productions from companies such as New Lodge Arts, The Flax Trust, Belfast School of Performing Arts, and Ravara Productions.

The MAC is in the business of social change

We will work collaboratively and creatively with people who live with the worst effects of inequality and division on the issues that matter to them.

Creative Learning & Engagement

The MAC Creative Learning & Engagement programme focuses on three main areas: (i) **MActivate** addressing social and political inequalities with people who have lived experience, (ii) **Growing Up at the MAC** giving children and young people access to appreciate, and love the arts, (iii) **University Partnerships** enabling international student-artists to learn from Northern Ireland's experience of arts and peacebuilding.

TRUSTEES' REPORT (including the Strategic Report) (CONT'D)

(i) MACtivate

collaborates with five Associate Partners and the communities they serve by co-designing programmes which create opportunities for personal, and societal change. Our Associate Partners are:

- **Action Mental Health:** Changes the lives of those living with mental ill health.
- **Participation & Practice of Rights (PPR):** Promotes human rights for people in the asylum, system, those living in housing stress, and people living with mental ill health.
- **Extern:** Supports people impacted by homelessness, suicide & addiction.
- **Alliance for Choice:** Campaigns for reproductive rights and bodily autonomy.
- **The Rainbow Project:** Supports LGBTQIA+ people to improve well-being.

During 2022/2023 we commissioned four artists to collaborate with our Associate Partners to explore the most pressing issues in our society. The outcomes will be presented during our participatory exhibition *At The Table* in April – July 2023.

Socially engaged artist **Thomas Wells** collaborated with **The Rainbow Project**, and the LGBTQIA+ community to co-design and create a new queer arts publication called *Sam Eden Two*.

Visual Artist **Kerrie Hanna** collaborated with people through **Action Mental Health** exploring Northern Ireland's current mental health crisis. Collectively they designed a series of illustrations which were presented as a public billboard campaign during Mental Health Awareness week in May 2023.

Multidisciplinary creative production company **Dumbworld** collaborated with **Participation and the Practice of Rights** working with people in the asylum system, mental health activists and people living in housing distress. Together they developed *Future Garden* which is a speculative project of co-curation imagining a future garden for the Mackie's brownfield site in Belfast.

Artist and activist **Khaled Barakeh** collaborated with people living in the asylum system by working with Anaka Womens Collective and **Participation and the Practice of Rights** *Lift the Ban* campaign which promotes the right for people in the asylum system to work. This commission will form part of a socially engaged exhibition called *At The Table* which at the MAC in April-July 2023.

Our annual programme also included co-designing opportunities to engage in the arts and accessing the MAC. For example, we host weekly creative workshops for women living in the asylum system who have fled conflict through **Participation and the Practice of Rights**. **Action Mental Health** clients attend weekly art/wellbeing workshops using our exhibitions as inspiration. We delivered an annual programme with **The Rainbow Project** hosting queer set-dancing and Culture Club visual art sessions. We programmed events and workshops with **Alliance for Choice** addressing reproductive rights for women, trans-people and people with disabilities.

(ii) Growing Up with the MAC - Children, Young People and Families

We hosted weekly/seasonal workshops and events facilitated by artist-educators including where children, school-groups and families explored art in the MAC exhibited in our galleries and on our stages.

Young people participated in **Fly the Flag** which is a unique collaboration between arts organisations and human rights charities that celebrates and reminds us of the human rights we all share. The project was co-produced by **Fuel**, the **MAC** the **National Theatre**, the **National Theatre of Scotland** and the **National Theatre Wales**. The lead artist for the UK-wide project was Jenny Sealey, Artistic Director of Graeae Theatre and a champion of disability inclusion, and associate artists Paula Clarke and Finn Kennedy who led this year's project which focused on Article 20 of the UDHR: Everyone has the right to freedom of peaceful assembly and association. A film has been created that documents the reactions of young people to the right to protest, which was released on 10th December 2022 on International Human Rights Day.

TRUSTEES' REPORT (including the Strategic Report) (CONT'D)

(iii) University / Creative Partnerships

We co-designed/delivered a 3-month module for International Masters Artist Educator students undertaking a master's degree at **Artez University Netherlands**. Twelve international students from the Netherlands were based in at the MAC learning about arts and peacebuilding, and their creative agency. The students undertook community-based artist-residencies throughout Belfast in organisations.

This year, the internationally acclaimed dance company **Akram Khan Company (AKC)** hosted a Summer Intensive from 15-20 August. The MAC worked in partnerships with AKC and **Theatre and dance NI**, Northern Ireland's leading support organisation for Theatre and Dance. The one-week *immersive* training programme enabled 30 emerging dancers to learn with AKC team.

The MAC is in the business of Belfast

We will help build Belfast's reputation as one of the world's most creative cities.

The critical value of social arts spaces in cities' placemaking aspirations has been well researched and articulated internationally and has been one of the charity's key functions in the period. The MAC's social, economic and cultural impact (placemaking's main considerations) have been evidenced through a series of independent reviews. Most recently it was confirmed by an external team of independent consultants that the MAC made an economic contribution of £14.8M to the wider economy in 2019/20.

The MAC is one of Northern Ireland's iconic cultural landmarks and is a valuable capital asset which the Board of Trustees and MAC team protect, maintain and preserve. Each year the building is used by, and visited by thousands of people therefore it is our responsibility to ensure all elements of the building are serviced, maintained and safe for everyday use, and protected for the long-term.

The MAC continues to review its sustainability policy. This year we worked in partnership with Queen's University to facilitate placements for MSc Leadership for Sustainable Development students. Through this partnership the MAC is learning the most current processes to ensure we care for the environment and continue to be sustainable. This year we installed an energy monitoring system enabling us to monitor gas, electric and water usage. We delivered energy saving projects which ensure the MAC plant is turned off as soon as the building is closed. We localised control of our air conditioning with the aim of reducing usage.

Public funding and sustainability

In January 2023, the MAC launched its US Friends of the MAC and UK Corporate Friends of the MAC schemes. The US Friends was promoted at an event in New York City at the Dead Rabbit bar with the support of NI Bureau with a number of significant donations received. In February 2023 the MAC hosted its first public Friends of the MAC fundraising event *Derry Girls: The Reunion*. UK Corporate Friends of the MAC scheme has been highly successful to date.

Public Funding

Our core funders – Arts Council of Northern Ireland and Belfast City Council continue to support us enabling us to deliver our mission and vision.

Trusts and Foundations

We are grateful to the Trusts and Foundations who support us. With their support we have work with hundreds of artists and created opportunities for thousands of people to participate and access great art, and conversations.

TRUSTEES' REPORT (including the Strategic Report) (CONT'D)

Trustees' responsibilities statement

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

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

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

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

Disclosures of information to auditors

In so far as the trustees are aware at the time of approving our Trustees' Report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, including the Strategic Report, was approved by the trustees on 28th February 2024.

By order of the trustees



Ray Hutchinson
Trustee



Colm Devine
Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MAC (METROPOLITAN ARTS CENTRE)

Opinion

We have audited the consolidated financial statements of The MAC (Metropolitan Arts Centre) for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities (including Income and Expenditure Account), the parent charitable company Statement of Financial Activities (including Income and Expenditure Account), the Consolidated Balance Sheet, the parent charitable company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out therein.

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 31 March 2023 and of its surplus 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 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.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the group and the parent charitable company's ability to continue as a going concern. Cashflow projections predict that expenditure will exceed income for the period ended 31 March 2024. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group and the parent charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and the parent charitable company were unable to continue as a going concern.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MAC (METROPOLITAN ARTS CENTRE) (CONT'D)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MAC (METROPOLITAN ARTS CENTRE) (CONT'D)

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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and/or senior management, and from our commercial knowledge and experience of the sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MAC (METROPOLITAN ARTS CENTRE) (CONT'D)

Auditor's responsibilities for the audit of the financial statements (Cont'd)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Angela Craigan (Senior Statutory Auditor)
for and on behalf of Harbinson Mulholland

**Chartered Accountants
Statutory Auditors**

Centrepont
24 Ormeau Avenue
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BT2 8H

28/2/24

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

	Notes	2023			2022		
		Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
Income and endowments from:							
Donations and legacies	5	370,000	1,433,478	1,803,478	150,000	2,356,763	2,506,763
Investments	5	1,069	-	1,069	88	-	88
Other trading activities	5	1,292,052	-	1,292,052	532,211	-	532,211
Other income	5	7,984	-	7,984	15,890	-	15,890
Total		1,671,105	1,433,478	3,104,583	698,189	2,356,763	3,054,952
Expenditure on:							
Charitable activities	6	548,486	1,754,242	2,302,728	229,108	2,404,807	2,633,915
Cost of raising funds: Commercial trading activities		1,090,554	-	1,090,554	475,527	-	475,527
Total		1,639,040	1,754,242	3,393,282	704,635	2,404,807	3,109,442
Net income/(expenditure)		32,065	(320,764)	(288,699)	(6,446)	(48,044)	(54,490)
Gross transfers between funds		-	-	-	-	-	-
Net movement in funds		32,065	(320,764)	(288,699)	(6,446)	(48,044)	(54,490)
Total funds brought forward		258,159	13,654,066	13,912,225	264,605	13,702,110	13,966,715
Total funds carried forward		290,224	13,333,302	13,623,526	258,159	13,654,066	13,912,225

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

All income and expenditure derive from continuing activities.

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

The notes on pages 18 to 31 form part of these accounts.

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)
OF THE CHARITY ALONE**

Notes	2023			2022		
	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
Income and endowments from:						
Donations and legacies	370,000	1,433,478	1,803,478	150,000	2,356,763	2,506,763
Investments	1,069	-	1,069	88	-	88
Other trading activities	209,482	-	209,482	72,574	-	72,574
Total	580,551	1,433,478	2,014,029	222,662	2,356,763	2,579,425
Expenditure on:						
Charitable activities	548,486	1,754,242	2,302,728	229,108	2,404,807	2,633,915
Total	548,486	1,754,242	2,302,728	229,108	2,404,807	2,633,915
Net movement in funds	32,665	(320,764)	(288,699)	(6,446)	(48,044)	(54,490)
Gross transfers between funds	-	-	-	-	-	-
Net movement in funds	32,665	(320,764)	(288,699)	(6,446)	(48,044)	(54,490)
Total funds brought forward	258,159	13,654,066	13,912,255	264,605	13,702,110	13,966,715
Total funds carried forward	290,224	13,333,302	13,623,526	258,159	13,654,066	13,912,225

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

All income and expenditure derive from continuing activities.

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

The notes on pages 18 to 31 form part of these accounts.

CONSOLIDATED BALANCE SHEET

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	11	375	2,084
Tangible assets	12	13,382,991	13,473,379
		13,383,366	13,475,463
Current assets			
Stock		13,454	9,852
Debtors	14	325,061	481,131
Cash at bank and in hand		287,174	530,741
		625,689	1,021,724
Creditors: amounts falling due one year	15	(385,529)	(584,962)
Net current assets		240,160	436,762
Total assets less current liabilities		13,623,526	13,912,225
Funds			
Unrestricted funds	17	290,224	258,159
Restricted funds	16	13,333,302	13,654,066
Total funds		13,623,526	13,912,225

The financial statements on pages 13 to 31 were approved and authorised for issue by the trustees on 28th February 2024 and were signed on their behalf by



Ray Hutchinson
Trustee



Colm Devine
Treasurer

Company registration number: NI022945

The notes on pages 18 to 31 form part of these accounts.

CHARITY BALANCE SHEET

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	11	375	750
Tangible assets	12	13,382,991	13,473,379
Investments	13	1	1
		13,383,367	13,474,130
Debtors	14	354,003	429,784
Cash at bank and in hand		202,780	388,364
		556,784	818,148
Creditors: amounts falling due one year	15	(316,625)	(380,053)
Net current assets		240,159	438,095
Total assets less current liabilities		13,623,526	13,912,225
Funds			
Unrestricted funds	17	290,224	258,159
Restricted funds	16	13,333,302	13,654,066
Total funds		13,623,526	13,912,225

The financial statements on pages 13 to 31 were approved and authorised for issue by the trustees on 28th February 2024 and were signed on their behalf by



Ray Hutchinson
Trustee



Colm Devine
Treasurer

Company registration number: NI022945

The notes on pages 18 to 31 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23		46,102		(417,525)
Investing activities					
Purchase of tangible fixed assets		(290,737)		(154,335)	
Interest received		<u>1,069</u>		<u>88</u>	
Net cash (used in) investing activities			(289,668)		(154,247)
Net increase/ (decrease) in cash and cash equivalents					
			(243,566)		(571,772)
Cash and cash equivalents of beginning of year			<u>530,741</u>		<u>1,102,513</u>
Cash and cash equivalents at end of year			<u>287,175</u>		<u>530,741</u>
Relating to:					
Bank balances and short term deposits			<u>287,175</u>		<u>530,741</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Nature of organisation

The Charity is an incorporated company limited by guarantee with charitable status. It is governed by a Memorandum and Articles of Association and the liability of each member is limited to an amount not exceeding £1. The registered office is 10 Exchange Street West, Belfast. The subsidiary is a company limited by shares.

2 Accounting policies

Basis of accounting

These financial statements have been prepared in accordance with the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (as amended for accounting periods commencing from 1 January 2016). The principal accounting policies, judgments and key sources of estimation uncertainty are set out below.

The trustees consider that these accounting policies are suitable, have been consistently applied and are supported by reasonable and prudent judgment and estimates.

The MAC (Metropolitan Arts Centre) meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in accordance with the historical cost convention.

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

Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned subsidiary The MAC (Metropolitan Arts Centre) Trading Co. Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Accounts for the Charity alone has been presented on page 13.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Preparation of the accounts on a going concern basis

The continued operation of the MAC is dependent on the ongoing support of its funders, Arts Council of Northern Ireland (ACNI) and Belfast City Council (BCC). The MAC was planned and built as a space that requires a certain level of public subsidy in order to provide the benefits it was built to deliver

The financial performance for the year is set out in the Statement of Financial Activities on pages 11 to 12 and described in the Trustees Report. The charity's income exceeded expenditure within unrestricted resources by £32,065 for the year. This result increased unrestricted reserves from £258,159 to £290,224 at the year end.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2 Accounting policies, (Cont'd)

Preparation of the accounts on a going concern basis (Cont'd)

Despite substantial cost cutting, inflation and continuing uncertainty in the global economy has impacted our cost base significantly. As a result directors are forecasting an unrestricted deficit of £143,008 for the year ended 31 March 2024.

The trustees are encouraged by the extensive dialogue and closer working relationship with the MAC's funders and look forward to continuing to work collaboratively towards delivering a sustainable break-even business model in 2024/25. Whilst we are aware that there is uncertainty in relation to public expenditure plans, we have no better information than to forecast that our continued delivery of outcomes in excess of those in our funding contracts, and our turnaround of the business as per our agreements with our funders, will result in at worst stand-alone funding for 2023/24.

At the point of signing the accounts, there remains a great deal of unpredictability in the economy and the associated impact on consumer behaviour. The trustees recognise that these circumstances, coupled with the uncertainty in respect of continued funding from ACNI, represent a material uncertainty over going concern.

The trustees consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available and recognise that the circumstances described above represent a material uncertainty that casts doubt on the ability of the group and the parent charitable company to continue as a going concern. Nevertheless, having considered these circumstances, alongside proposals for future sustainability, the trustees have a reasonable expectation that the group and the parent charitable company will continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Income and endowments

(a) Donations and legacies

Donations and legacies includes all incoming resources generated from gifts, donations and grants, and is recognised in full in the Statement of Financial Activities when receivable.

Grants are credited to incoming resources on the earlier of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

Grants which have been restricted for use by the donor or which relate to capital expenditure are treated as restricted income and are credited to the Statement of Financial Activities when they are receivable and when all conditions have been met.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1 Accounting policies (Cont'd)

Income and endowments

(b) Investments

Investment income represents interest receivable during the year on bank deposits.

(c) Other trading activities

This includes income receivable for services provided, income from activities undertaken to raise funds to undertake charitable activities, and income from the operation of the MAC.

Expenditure

(a) Charitable activities

This comprises all resources applied by the Charity when working to meet its charitable objectives. This includes support costs allocated to activities on the basis of time spent on those activities.

(b) Commercial trading activities

This comprises all resources applied by the Charity's wholly owned subsidiary in operating the MAC.

(c) Governance costs

Governance costs include the costs of governance arrangements which relate to the general running of the Charity.

All costs are allocated between the expenditure categories on a basis designed to reflect the use of resources. Costs relating to a particular activity are allocated directly; others are apportioned on a basis consistent with the use of resources.

Intangible fixed assets

Intangible assets comprise the costs associated with acquiring the liquor licence, and is valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments of each asset over its estimated useful economic life of 5 years.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition, net of any VAT recoverable.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Land and buildings	- 2% per annum straight line
Fixtures, fittings and equipment	-10% - 25% per annum straight line

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2 Accounting policies (Cont'd/Impairment of fixed assets)

At each reporting end date, the group and the parent charitable company review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group and the parent charitable company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks other short-term liquid investments with original maturities of three months or less and bank overdrafts.

Financial assets

The group and the parent charitable company have elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the group's and the parent charitable company's statement of financial position when the group and the parent charitable company become party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2 Accounting policies (Cont'd)

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Other financial liabilities

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's and parent charitable company's obligations are discharged, cancelled, or they expire.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the group and parent charitable company are demonstrably committed to terminate the employment of an employee or to provide termination benefits.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2 Accounting policies (Cont'd)

Taxation

As a registered charity, The MAC (Metropolitan Arts Centre) is not liable to either Income Tax or Corporation Tax.

Fund accounting

The Charity has two types of funds for which it is responsible, and which require separate disclosure. Definitions of the funds are as follows:

(a) Restricted funds

Grants, donations and other income received which are earmarked by the funder or donor for specific purposes. Such purposes are within the overall aims of the Charity.

(b) Unrestricted funds

Funds which are expendable at the discretion of the trustees, for the general purposes of the Charity. In addition, funds may be held in order to finance capital investments and working capital.

3 Critical accounting estimates and judgements

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

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

Key sources of estimation uncertainty

Going concern

The trustees have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements. As explained more fully in Note 2 there is a material uncertainty regarding the group's and parent charitable company's ability to meet its liabilities as they fall due, and to continue as a going concern. Nevertheless, having considered the circumstances, the trustees consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the group and parent charitable company are unable to continue as a going concern.

Tangible fixed assets

Tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives factors such as maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining live of the asset and the estimated value in use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 Financial performance of the Charity

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiary which operates the arts facility. The financial performance of the Charity alone is shown on page 14.

5 Income and endowments

	2023			2022		
	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
Donations and legacies						
Arts Council of Northern Ireland - Capital Works	-	25,064	25,064	-	131,933	131,933
Arts Council of Northern Ireland	-	1,246,426	1,246,426	-	1,170,903	1,170,903
Belfast City Council Grants	150,000	-	150,000	150,000	-	150,000
Paul Hamlyn Foundation	-	75,000	75,000	-	150,000	150,000
Ulster Gardens	-	30,000	30,000	-	-	-
Covid large NAV scheme	-	-	-	-	50,000	50,000
John Elleman	-	-	-	-	35,700	35,700
Garfield Weston	100,000	-	100,000	-	696,248	696,248
Foyle Foundation	-	20,000	20,000	-	20,000	20,000
Esmée Fairbairn Foundation	120,000	-	120,000	-	100,000	100,000
Belfast Harbour	-	10,000	10,000	-	-	-
Social Change	-	3,950	3,950	-	-	-
Bank of Ireland	-	5,500	5,500	-	-	-
Community Foundation	-	3,000	3,000	-	-	-
British Council	-	3,000	3,000	-	-	-
Fly the Flag	-	1,650	1,650	-	-	-
Dormant Accounts	-	9,888	9,888	-	-	-
Other	-	-	-	-	1,979	1,979
	370,000	1,433,478	1,803,478	150,000	2,356,763	2,506,763
Investments						
Interest receivable	1,069	-	1,069	88	-	88
Other trading activities						
Sponsorship	25,346	-	25,346	20,000	-	20,000
Other income	-	-	-	-	-	-
Gifts and donations	69,598	-	69,598	6,717	-	6,717
Rental income	19,031	-	19,031	10,713	-	10,713
Commercial trading operations	1,178,077	-	1,178,077	373,698	-	373,698
Government grant	-	-	-	121,083	-	121,083
	1,292,052	-	1,292,052	532,211	-	532,211
Other income						
Theatre & Museum & Gallery tax relief	7,984	-	7,984	15,890	-	15,890
Total	1,671,105	1,433,478	3,104,583	698,189	2,356,763	3,054,952

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6 Expenditure

Analysis of expenditure

	Support Costs	Other Direct Costs	2023	2022
	£	£	£	£
Charitable activities				
Core costs	155,838	1,771,063	1,926,901	2,235,342
Capital Project – The MAC	375,827	-	375,827	398,573
Total resources expended	531,665	1,771,063	2,302,728	2,633,915

Analysis of support costs

	Charitable Activities	Governance	2023	2022
	£	£	£	£
Premises	145,738	-	145,738	84,842
Financial costs	752	4,050	4,802	7,131
Depreciation	381,125	-	381,125	403,291
Total support costs	527,615	4,050	531,665	495,264

7 Net incoming resources

	2023	2022
	£	£
Net incoming resources are stated after charging:		
Depreciation – owned assets	381,125	403,291
Auditor's remuneration:		
Audit of financial statements of the group and parent charitable company	4,750	4,750
Audit of the parent charitable company's subsidiary	6,500	6,500

There are no other material costs not already disclosed in notes 6 to 10.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8 Income from trading activities

The wholly owned trading subsidiary The MAC (Metropolitan Arts Centre) Trading Co. Limited is incorporated in Northern Ireland (company number NI604239) and pays all of its profits to the Charity under the gift aid scheme. The MAC (Metropolitan Arts Centre) Trading Co. Limited operates the arts facility and all commercial trading operations carried on at The MAC (Metropolitan Arts Centre) premises. The summary financial performance of the subsidiary alone is:

	2023	2022
	£	£
Turnover	2,661,729	2,261,224
Cost of sales	(710,972)	(731,429)
Administration costs	(1,845,884)	(1,604,657)
Distribution costs	(33,699)	(39,441)
Other income	-	112,054
	71,174	(2,249)
Net profit	71,174	(2,249)
Gift aided to the Charity	(71,174)	(13,641)
	-	(15,890)
(Loss)/profit before taxation	-	(15,890)
Tax	-	15,890
	-	-
Retained in subsidiary	-	-

The assets and liabilities of the subsidiary alone were:

Total assets	406,498	510,426
Total liabilities	(406,497)	(510,425)
	1	1
Total net assets	1	1
	1	1
Aggregate share capital and reserves	1	1

9 Employee information

	2023	2022
	£	£
Staff costs		
Wages and salaries	1,343,869	1,196,551
Social security costs	119,351	110,864
Pension costs	35,693	35,259
	1,498,913	1,342,674
Average number of employees including trustees	83	59
Employees earning between £60,000 and £70,000	1	1

The total amount of employee benefits received by key management personnel in the period was £192,870 (2022: £268,673). The Charity considers its key management personnel comprises of the Chief Executive, Commercial Director, Director of Finance and Corporate Services and Creative Director.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10 Trustees' remuneration

The trustees received no emoluments during the year. No trustee received reimbursement of expenses during the year.

11 Intangible fixed assets

	Group £	Charitable Company £
Cost		
At 1 April 2022	31,364	1,874
Additions	-	-
At 31 March 2023	31,364	1,874
Depreciation		
At 1 April 2022	29,280	1,124
Amortisation charged for the year	1,709	375
At 31 March 2023	30,989	1,499
Net book value		
At 31 March 2023	375	375
At 31 March 2022	2,084	750

12 Tangible fixed assets

Group and charitable company

	Land & Buildings £	Fittings & Equipment £	Total £
Cost			
At 1 April 2022			
	16,343,164	460,496	16,803,660
Additions	251,032	39,705	290,737
Disposals	-	-	-
At 31 March 2023	16,594,196	500,201	17,094,397
Depreciation			
At 1 April 2022	3,088,593	241,688	3,330,281
Charge for year	330,237	50,888	381,125
Released on disposal	-	-	-
At 31 March 2023	3,418,830	292,576	3,711,406
Net book value			
At 31 March 2023	13,175,366	207,625	13,382,991
At 31 March 2022	13,254,571	218,808	13,473,379

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13 Investments

The Charity holds one share of £1 in its wholly owned trading subsidiary The MAC (Metropolitan Arts Centre) Trading Co. Limited, which is incorporated in Northern Ireland. This is the only share allotted, called up and fully paid. The activities and results of this company are summarised in note 8.

14 Debtors

Amounts falling due within one year:

	Group		Charitable Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	102,251	48,794	30,660	1,260
Prepayments and accrued income	216,563	197,715	216,563	193,902
Other debtors	6,247	234,622	106,780	234,622
	<u>325,061</u>	<u>481,131</u>	<u>354,003</u>	<u>429,784</u>

15 Creditors: amounts falling due within one year

	Group		Charitable Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	96,806	144,693	28,645	26,792
Other tax and social security	7,000	201,304	4,650	4,707
Accruals	110,023	92,921	55,635	39,379
Other creditors	171,700	146,044	1,218	19,549
Intercompany balance	-	-	226,477	289,626
	<u>385,529</u>	<u>584,962</u>	<u>316,625</u>	<u>380,053</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16 Restricted funds of the Charity

	Restated Balance 1 April 2022	Movement in resources incoming	Movement in resources outgoing	Transfer between funds	Balance 31 March 2023
	£	£	£	£	£
Fixed asset funds					
Capital Project	13,449,066	55,063	(375,827)	205,000	13,333,302
Garfield Weston	205,000	-	-	(205,000)	-
Subtotal	13,654,066	55,063	(375,827)	-	13,333,302
Other net assets funds					
Core costs	-	1,378,415	(1,378,415)	-	-
Subtotal	-	-	-	-	-
Total	13,654,066	1,433,478	(1,754,242)	-	13,333,302

Fixed asset funds

The fixed asset funds represent funds provided for the purchase of tangible fixed assets. The fund is represented by fixed assets and is reduced by the depreciation charge on the assets.

17 Unrestricted funds of the Charity

	Balance at 1 April 2022	Net incoming resources for year	Transfer between funds	Total
	£	£	£	£
General reserve	258,159	(47,434)	-	210,725
Designated - Garfield Weston	-	79,499	-	79,499
Total	258,159	32,065	-	290,224

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18 Analysis of net assets between funds

	Tangible Fixed assets	Other net assets	Total
	£	£	£
Restricted funds	13,337,302	-	13,333,302
Unrestricted funds	49,689	240,555	290,244
	13,382,991	240,555	13,623,546

19 Related party transactions

Under the control of the Board of Trustees, the MAC Trading Co. Limited, a wholly owned subsidiary of the Charity, charged the Charity expenses of £1,500,000 (2022: £1,900,000) and transferred to the Charity under Gift Aid a donation of £71,174 (2022: £13,641). At 31 March 2023 a balance of £226,478 (2022: £289,626) was owed by the Charity to the subsidiary. There were no other transactions or outstanding balances with related parties.

20 Contingencies

A portion of grants received may become repayable if the Charity fails to comply with the terms of letter of offer.

21 Corporation taxation

The Charity is exempt from taxation in respect of income or capital gains received. HM Revenue and Customs reference number XR26229. Its subsidiary is subject to corporation taxation on its income and capital gains.

22 Subsidiaries

These financial statements are separate company financial statements for The MAC Limited

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
The MAC Trading Co. Limited	As above	Operation of arts facilities	Ordinary shares	100	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23 Reconciliation of net movement in funds to net cash flow from operating activities

	<u>2023</u>	<u>2022</u>
	£	£
Net movement in funds for the year	(288,699)	(54,490)
Depreciation & amortisation	382,835	404,990
Loss on disposal of tangible fixed assets	-	5,536
(Decrease)/increase in creditors	(199,433)	(628,143)
Decrease/(increase) in debtors	156,070	(135,478)
Decrease/(increase) in stock	(3,602)	(9,852)
Interest received	<u>(1,069)</u>	<u>(88)</u>
Net cash inflow/ (outflow) from operating activities	<u>46,102</u>	<u>(417,525)</u>