



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

Annual Report and Financial Statements for the Year Ended 31 March 2024

Contents	Page
Overview	3
The Year in Numbers	3
Chair's Statement	4
Chief Executive's Report	6
Trustees' Report including Strategic Report	7
Who We Are	7
Key Highlights from 2022/23	8
How We Funded Our Activities	19
How We Spent Our Money	23
The Impact We Have Had	24
Our Plans for Next Year	27
Our People and Organisation	28
Financial Review	31
Managing Our Risks	33
Governance, Reference and Administrative Information	34
Governance Priorities	34
Board of Trustees	34
Charity Governance Code	35
Board Committees	35
MAC Trading, our subsidiary company	37
Trustees and Professional Advisers	37
Statement of Trustees' Responsibilities	39
Disclosure of Information to Auditors	40
Auditors' Report	41
Financial Statements	45
Consolidated Statement of Financial Activities	45
Consolidated and Company Balance Sheets	46
Consolidated Cash Flow Statement	47
Notes to the Financial Statements	48

Overview

The Year in Numbers

822,204
people
visited MAC

We put on
2,276
events

60,120 people
attended
ticketed
events

46,530 people
took part in
courses and
classes

11,232 people
attended free
community
events

We
employed
777 artists

£9.23
average
ticket price

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.

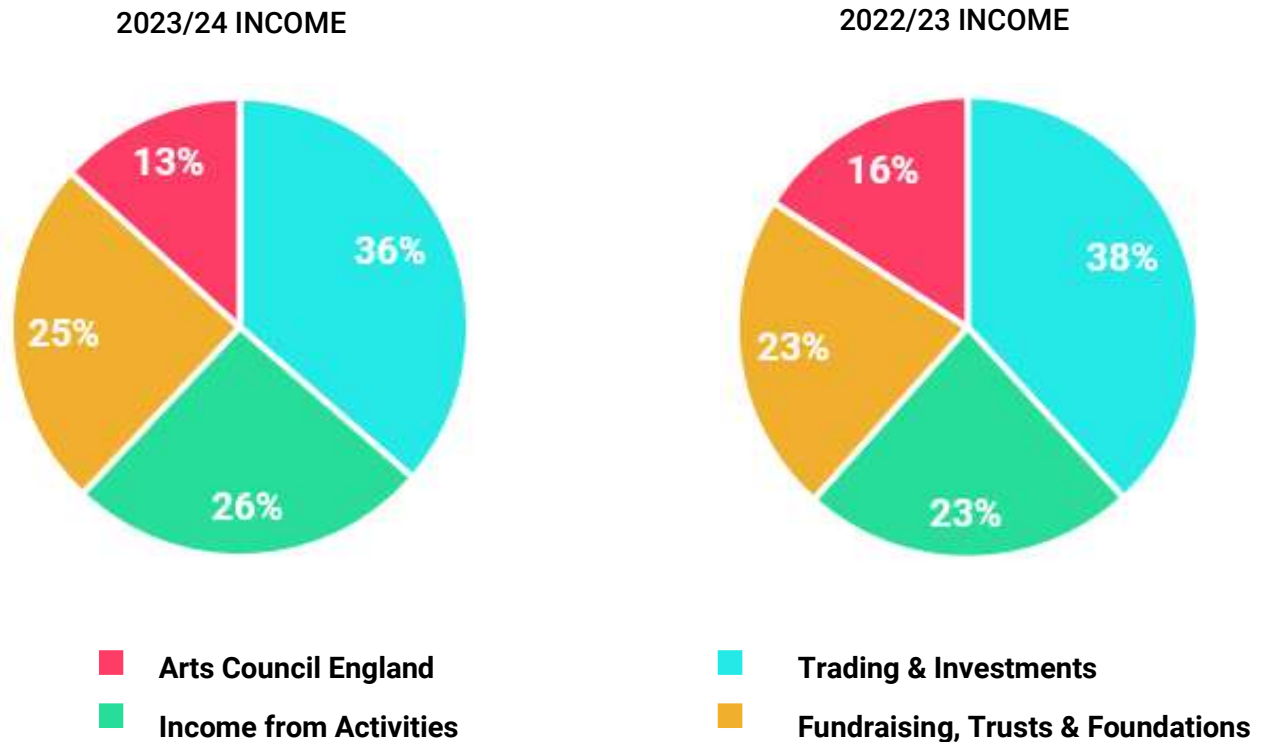
Birmingham Public Health & MAC

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.

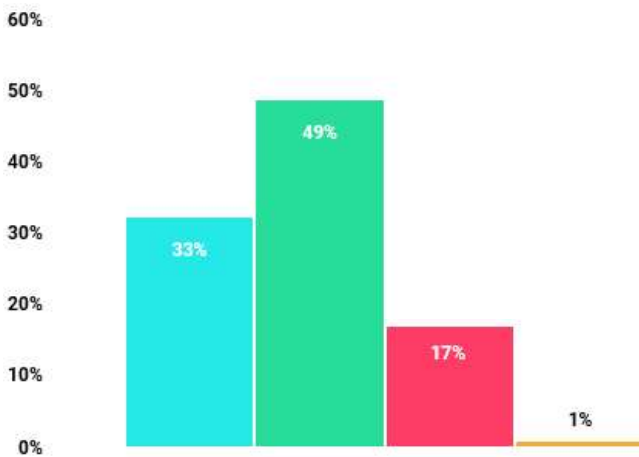
How We Spent Our Money

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).

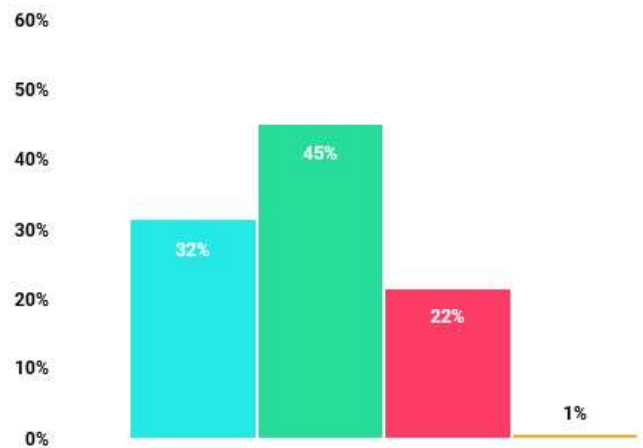
We invested Capital funds in a new website to improve users access to our site as well as investment in building work in light of the RAAC discovered on site.

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

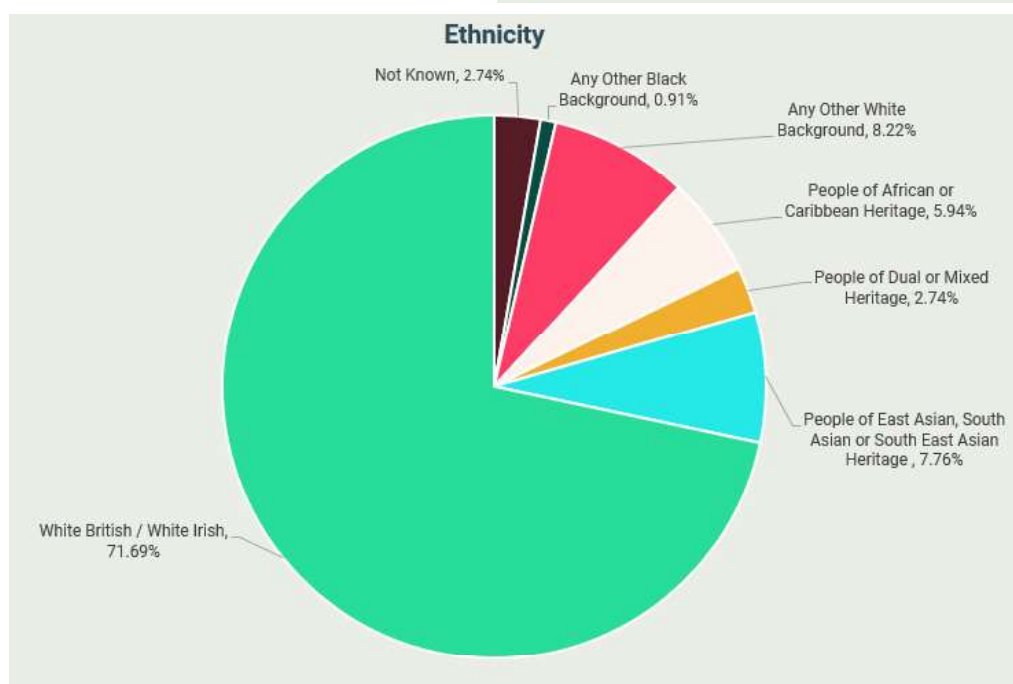
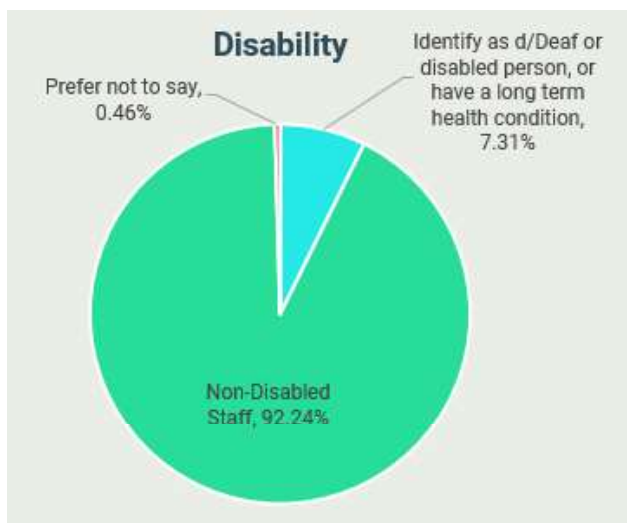
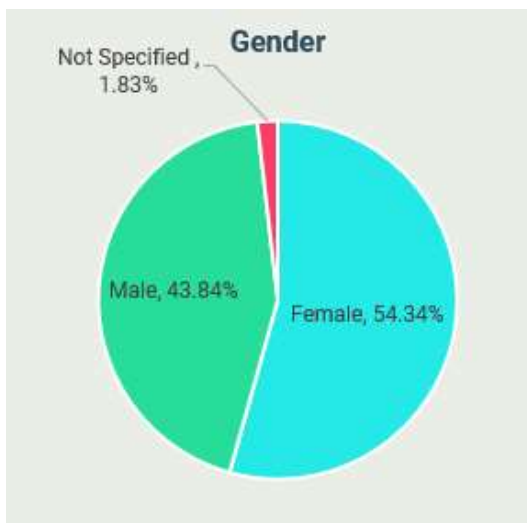
MAC's staff are our most valuable asset and the key means by which we can achieve our objectives. We employ a diverse range of people across the organisation to help us successfully deliver all aspects of our work, and to ensure that we meet the needs and interests of the communities that we serve.

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.

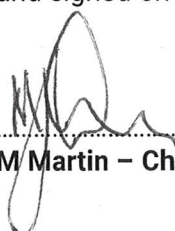
The notes on pages 49 to 67 form part of these financial statements.

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

	Notes	Consolidated		Company	
		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)
		<hr/>	<hr/>
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	<u>2,472,392</u>	<u>(316,417)</u>	<u>2,155,975</u>

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

	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
	£	£	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities											
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
	68,219	59,454	32,596	33,425

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	<u>963,172</u>	<u>925,776</u>	<u>-</u>	<u>555,321</u>	<u>1,239,987</u>	<u>3,684,256</u>
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	<u>952,431</u>	<u>916,970</u>	<u>-</u>	<u>555,321</u>	<u>1,292,983</u>	<u>3,717,705</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 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	-	-	-	-
	1,050,093	3,162,385	555,321	4,767,799

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	-	-	-	-
	1,029,574	3,128,935	555,321	4,713,830

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>4,767,799</u>	<u>4,713,830</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.