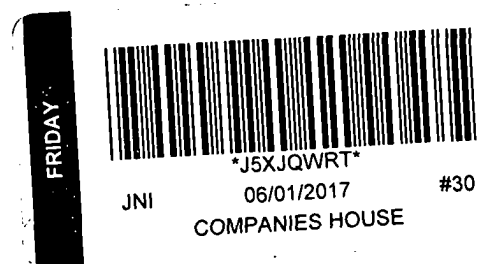


**THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**



# THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED

## CONTENTS

---

	Page
Independent auditor's report	1 - 2
Abbreviated statement of financial position	3
Notes to the abbreviated accounts	4 - 8

---

# **THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED**

---

We have examined the abbreviated accounts set out on pages 3 to 8, together with the financial statements of The MAC (Metropolitan Arts Centre) Trading Co. Limited for the year ended 31 March 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444 (3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

#### **Other information**

On 16 December 2016 we reported, as auditors of The MAC (Metropolitan Arts Centre) Trading Co. Limited, to the members on the financial statements prepared under section 396 of the Companies Act 2006 for the year ended 31 March 2016, and our report included the following paragraph:

# THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED

---

#### Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is dependent on support from the parent charitable company. Cash flows have been prepared for the parent charitable company which predict that expenditure will exceed income in the year ended 31 March 2017 and by 31 March 2018 the unrestricted reserves will be fully depleted. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

*Jane O'Rourke*

Jane O'Rourke (Senior Statutory Auditor)  
for and on behalf of Harbinson Mulholland

Chartered Accountants  
Statutory Auditor

*16 December 2016*

Centrepont  
24 Ormeau Avenue  
Belfast  
County Antrim  
BT2 8HS

# THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED


## ABBREVIATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	2		6,375		7,947
<b>Current assets</b>					
Debtors		195,762		213,498	
Cash at bank and in hand		78,065		102,949	
		<u>273,827</u>		<u>316,447</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(280,201)</u>		<u>(324,393)</u>	
<b>Net current liabilities</b>			(6,374)		(7,946)
<b>Total assets less current liabilities</b>			<u>1</u>		<u>1</u>
<b>Capital and reserves</b>					
Called up share capital	3		<u>1</u>		<u>1</u>

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

The abbreviated accounts were approved by the board of directors and authorised for issue on 13 December 2016 and are signed on its behalf by:



Richard Donnan  
Director

Company Registration No. NI604239

# THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

**FOR THE YEAR ENDED 31 MARCH 2016**

---

### **1 Accounting policies**

#### **Company information**

The MAC (Metropolitan Arts Centre) Trading Co. Limited is a limited company domiciled and incorporated in Northern Ireland. The registered office is 10 Exchange Street West, Belfast, Antrim, Northern Ireland, BT1 2NJ.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of The MAC (Metropolitan Arts Centre) Trading Co. Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Going concern**

There are concerns over the ability of the parent charitable company The MAC (Metropolitan Arts Centre) to continue as a going concern. The company is dependent on the parent charitable company. Cash flow projections have been prepared which predict that expenditure will exceed income in the year ended 31 March 2017 and by 31 March 2018 the parent charitable company's unrestricted reserves will be fully depleted.

The continued operation of The MAC (Metropolitan Arts Centre) is dependent on the ongoing support of its funders, Arts Council of Northern Ireland and Belfast City Council. The MAC was planned and built as a space that requires a certain level of public subsidy in order to deliver the benefits it was built to deliver. The senior management team and trustees of The MAC (Metropolitan Arts Centre) will continue to work strenuously to generate additional and new sources of income whilst ensuring that best value is obtained for operational expenditure.

The directors recognise that the circumstances described above represent a material uncertainty that casts doubt on the ability of the company to continue as a going concern. Nevertheless, having considered these circumstances, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents net invoiced sales of goods and services, excluding value added tax.

# THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016

---

### 1 Accounting policies

(Continued)

#### 1.4 Impairment of fixed assets

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

#### 1.5 Cash and cash equivalents

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

#### 1.6 Financial assets

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

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

# THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

---

### 1 Accounting policies

(Continued)

#### ***Loans and receivables***

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

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

#### ***Impairment of financial assets***

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

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

#### ***Derecognition of financial assets***

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

### 1.7 Financial liabilities

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

#### ***Other financial liabilities***

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

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

#### ***Derecognition of financial liabilities***

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

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.



# THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016

---

### 1 Accounting policies

(Continued)

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The trading results of overseas operations are translated at average rates of exchange for the year.

#### 1.12 Intangible assets

Intangible assets comprise the costs associated with acquiring the liquor licence and is valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments of each asset over its estimated useful economic life. This has been estimated as 5 years.

# THE MAC (METROPOLITAN ARTS CENTRE) TRADING CO. LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

### 2 Intangible fixed assets

	Other £
<b>Cost</b>	
At 1 April 2015	19,867
Additions	3,002
	<u>22,869</u>
At 31 March 2016	<u>22,869</u>
<b>Amortisation and impairment</b>	
At 1 April 2015	11,920
Amortisation charged for the year	4,574
	<u>16,494</u>
At 31 March 2016	<u>16,494</u>
<b>Carrying amount</b>	
At 31 March 2016	6,375
	<u>7,947</u>
At 31 March 2015	<u>7,947</u>

### 3 Called up share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1 Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

### 4 Parent company

During the year ended 31 March 2016, The MAC (Metropolitan Arts Centre), (a company limited by guarantee) controlled the company by virtue of a controlling interest of 100% of the issued share capital.