

**Manchester International Festival
(A Company Limited By Guarantee)**

Annual report and financial statements

Year ended 31 March 2007

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Manchester International Festival
(a company limited by guarantee)

Annual report and financial statements for the year ended 31 March 2007

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Manchester International Festival
(a company limited by guarantee)

Legal and administrative information for the year ended 31 March 2007

Directors and trustees

TPR Bloxham (chairman)
R Paver
B L Smith
M Oglesby
H K Raynor
Sir B.J. McMaster
A J Stokes
M Kane

Secretary and registered office

A C Neale,
131 Portland Street,
Manchester, M1 4PY

Company number

05292793

Charity number

1113902

Auditors

BDO Stoy Hayward LLP
Commercial Buildings
11-15 Cross Street
Manchester M2 1WE

Bankers

The Co-operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Solicitors

Cobbetts LLP
Ship Canal House
Manchester M2 4WB

**Manchester International Festival
(a company limited by guarantee)**

Report of the trustees for the year ended 31 March 2007

The trustees are pleased to present their report together with the audited financial statements of the charity for the year ended 31 March 2007

Structure, Governance and Management

Governing Document

Manchester International Festival (MIF) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 22 November 2004. The company became a registered charity on 26th April 2006. Anyone over the age of eighteen can become a member, subject to approval by the Board. All Directors are members each of whom agree to contribute a sum not exceeding £10 in the event of the company being wound up.

Appointment of directors and members

As set out in the Articles of Association membership is open to individuals or organisations who apply to the company in the form required by the directors and who are approved by the directors. Proposed members are approved by the Board at general meetings. The company may, by ordinary resolution, appoint a person who is willing to be a director.

Trustee induction and training

All new trustees receive a board induction pack including the company's governing document, details of the responsibilities of charity trustees, the six year budget, the most recent management accounts, papers from the previous two board meetings and the trustees' reimbursement policy. The new member then has an induction meeting where the contents of the pack are discussed in detail.

Organisation

The Board of directors administers the company. The Board meets quarterly and has a finance and audit subcommittee, which meets prior to each Board Meeting. The Board has appointed a Festival Director to administer the day to day operations of MIF. To assist in the effective running of the company the Festival Director has, as approved by the Board, delegated operational matters including finance, production and marketing.

Related parties

The related parties are detailed in note 18 of the accounts.

Risk management

The Festival reviews risk bi-annually at the Finance and Audit committee. Action is taken to minimise those risks deemed significant and likely. The Finance and Audit committee reports these findings to the Board.

Manchester International Festival
(a company limited by guarantee)

Report of the trustees for the year ended 31 March 2007

Objectives and Activities

The objects of Manchester International Festival are

"To promote, maintain, improve, develop and advance public education by the encouragement of the arts including (but not limited to) music, opera, dance, singing, dancing, literature and the visual arts and in particular (but without prejudice to the generality of the foregoing) the holding of festivals of culture, ideas and creativity "

The accounts to 31 March 2007 show the build up to the inaugural Festival in June / July 2007, and include the two pre-festival commissions that occurred during the year. We report in detail on these events in achievements and performances. Additionally a great deal of preproduction work for the 2007 Festival commissions occurred during the financial year.

Our Volunteer coordinator was appointed in the year and the volunteer programme was activated. We would like to thank United Utilities for their support for the volunteer programme.

The Directors remain enormously grateful to Alex Poots and his team for all their hard work in this build up year, and we would like to pay tribute to our major funder, Manchester City Council, who have continued to support the Festival during this development period.

We would also like to acknowledge the support received from the Festival's sponsors, the Arts Council, the Festival's partners, members and other funders who have enabled us to continue to work on the development of this unique artistic opportunity for Manchester.

Strategies

The company has successfully registered as a charity and this will prove invaluable in our search for grant assistance from trusts and foundations. We have also continued to build on the strategic foundations laid in the previous period. A full management team has been appointed, together with a number of key staff who will be heavily involved in the delivery of the 2007 Festival. We have begun our development programme and have been successful in securing a significant grant from the Arts Council of England. We also thank the Granada Foundation for the grant we received towards the Festival.

As we have built up staff in preparation for the 2007 Festival, we have needed to expand our working space in Manchester with the addition of an office provided by Manchester City Council in addition to our original office space kindly provided by our sponsor Bruntwood.

We have continued to strengthen the governance of the company by the addition of new trustees. In June and September 2006, we welcomed Julia Peyton Jones, Brian McMaster and Andrew Stokes to the board, who between them bring a wealth of experience in the visual arts, festival delivery and marketing to the Company. We have also established a new Finance & Audit Sub-Committee which meets quarterly in order to provide additional financial advice and scrutiny for the main board.

**Manchester International Festival
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Report of the trustees for the year ended 31 March 2007

Achievements and performance

In the year there have been two significant artistic events put on as pre festival commissions

The Schools Festival Song in December 2006 comprised a song composed by Italian film composer Ennio Morricone with lyrics by Manchester based writer Nicholas Royle and was performed by 8,000 children school children from Manchester and across the Northwest at Manchester's MEN Arena on Monday 4 December Including the participants, the event was attended by 20,000 people All pupils received sheet music of the song to learn, perform and keep, and after the event each participating school received a DVD of the performance

Bronwyn Jenkins, Deputy Head at St Elizabeth's Catholic Primary School in Wythenshawe, said "The pupils have enjoyed the whole experience They have practised the song for a long time I think they particularly liked meeting Nicholas Royle, the lyricist and singing for him on radio The event itself was also a big thrill and I know the children will be singing the song in school "

The second pre festival commission was Queen and Country a visual art work created by leading artist Steve McQueen and developed in partnership with the Imperial War Museum This commission was conceived as a memorial to the British service personnel who had lost their lives in Iraq and was positioned in the Central Library in Manchester before joining the permanent collection at the Imperial War Museum in London The project , which was accompanied by an education programme, received considerable media attention

Financial review

The Festival's accounts show a 'one off' surplus for the year of £504k The Festival sought advice from its auditors and, following that advice, adopted the accounting policy whereby costs incurred on Festival commissions are held on the balance sheet until such time as the event occurs or it is cancelled This is combined with the policy that sponsorship income is recognised as the Festival is entitled to use it as per the contract with the particular sponsor This combination of policies creates a surplus in non festival years because festival production costs are only recognised in the year in which they fall

Investment powers and policy

Under the company's Memorandum and Articles of association the company has the power to invest in any way deemed appropriate MIF's policy with regard to making best use of available funds endeavours to keep funds in interest bearing deposit accounts

**Manchester International Festival
(a company limited by guarantee)**

Report of the trustees for the year ended 31 March 2007

Reserves policy

In accordance with the Arts Council's recommendations for arts organisations to 'thrive not survive', we aim to develop an unrestricted reserve which could be drawn upon to help us achieve our objectives, and which would have, as a priority, the aim to enable the Festival to invest in long term artistic research and development, enabling the Festival to explore artistic innovation without timescales or deadlines. This fund would prioritise the expenditure on international experiment and innovation which is vital to renew and refresh the Festival's vision and its position as a world leading innovator. The restricted reserves held are for Monkey Journey to the West education programme. These are being held until the programme occurs after the year end.

Plans for future periods

At the time of writing this report, the inaugural Manchester International Festival has taken place (28th June to 15th July 2007), and it would therefore be appropriate to provide a brief report, despite the fact that it falls outside the scope of these accounts. The Festival has been widely recognised as a great success and it comfortably exceeded all the targets that were set for it: 25 new commissions were created (against a target of 10) attracting almost 200,000 visitors (against a target of 160,000) and generating more than £11.5 million equivalent advertising value of media coverage (against a target of £5.9 million). The Festival generated more than £3.2 million of commercial sponsorship, a record for a UK Festival. A more detailed description will be provided for the 2007/8 accounts.

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The directors of the company during the year were

T P R Bloxham

R Paver

M Hackett (resigned 20 September 2007)

B L Smith

M Oglesby

H K Raynor

Sir B J McMaster (appointed 19 September 2006)

J Peyton Jones (appointed 22 June 2006 and resigned 3 December 2007)

A J Stokes (appointed 22 June 2006)

M Kane (appointed 23 October 2007)

All directors on the Board who are members. A director must be a natural person aged eighteen years or older who is not disqualified from acting as a director by law.

Manchester International Festival
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Report of the trustees for the year ended 31 March 2007

Trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditors

The current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP will resign from office and a resolution to appoint a new auditor will be proposed at the annual general meeting.

By order of the Board



R Paver
Trustee

Date 20/12/07

**Manchester International Festival
(a company limited by guarantee)**

Report of the independent auditors

Independent auditors report to the members of Manchester International Festival (a company limited by guarantee)

We have audited the financial statements of Manchester International Festival (a company limited by guarantee) for the year ended 31 March 2007, which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Executive Board and auditors

The Executive Board's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustee's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Executive Board's Report is consistent with those financial statements. We also report to you if, in our opinion, the Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Executive Board's remuneration and other transactions is not disclosed.

We read the Executive Board's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

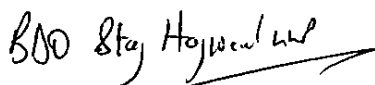
Manchester International Festival
(a company limited by guarantee)

Report of the independent auditors (*Continued*)

Opinion

In our opinion

- the Charity financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity at 31 March 2007, and of the charity's incoming resources and resources expended, including its income and expenditure, for the year then ended,
- the charity financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements


BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Manchester

Date 21 December 2007

Manchester International Festival
(a company limited by guarantee)

Statement of financial activities (including Income and Expenditure Account)
for the year ended 31 March 2007

					16 months ended 31 March
	Note	Unrestricted funds £	Restricted funds £	2007 Total £	2006 Total £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary Income					
Grants and donations	2	864,842	254,489	1,119,331	925,535
Activities for generating funds		818,336	-	818,336	251,631
Investment income	3	11,919	-	11,919	1,586
		<u>1,695,097</u>	<u>254,489</u>	<u>1,949,586</u>	<u>1,178,752</u>
<i>Incoming resources from charitable activities</i>					
Operation of festival	4	15,000	-	15,000	221,788
Total incoming resources		<u>1,710,097</u>	<u>254,489</u>	<u>1,964,586</u>	<u>1,400,540</u>
Resources expended					
<i>Cost of generating funds</i>					
Costs of generating voluntary income		192,503	33,518	226,021	147,873
<i>Charitable activities</i>					
Festival costs	5	985,015	220,971	1,205,986	1,220,548
<i>Governance costs</i>	6	28,189	-	28,189	9,316
Total resources expended		<u>1,205,707</u>	<u>254,489</u>	<u>1,460,196</u>	<u>1,377,737</u>
Net Movement in Funds		504,390	-	504,390	22,803
Total funds brought forward		22,803	-	22,803	-
Total funds carried forward		<u>527,193</u>	<u>-</u>	<u>527,193</u>	<u>22,803</u>

All amounts relate to continuing activities

All recognised gains and losses are included in the statement of financial activities

The notes on pages 10 to 16 form part of these financial statements

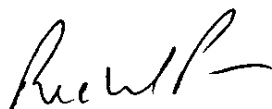
**Manchester International Festival
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Balance sheet at 31 March 2007

	Note	2007		16 months ended 31 March 2006	
		£	£	£	£
Fixed assets					
Tangible assets	10		22,754		37,608
Current assets					
Debtors	11	1,567,906		578,804	
Cash and bank balances		75,095		35,197	
		<u>1,643,001</u>		<u>614,001</u>	
Creditors: amounts falling due within one year	12	<u>(1,138,562)</u>		<u>(628,806)</u>	
Net current assets			504,439		(14,805)
Total assets less current liabilities			<u>527,193</u>		<u>22,803</u>
Funds					
Unrestricted funds					
General	14		527,193		22,803
Restricted funds					
Restricted	14		-		-
			<u>527,193</u>		<u>22,803</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

These financial statements were approved by the Executive Board on 20/12/07



R. Paver

The notes on pages 10 to 16 form part of these financial statements

Manchester International Festival
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Notes forming part of the financial statements for the year ended 31 March 2007

1 Accounting policies

Accounting Convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold property, and are in accordance with the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice issued in October 2005. The company became a charity on 26 April 2006 and the comparatives have been restated in to be shown in line with the Charities Statement of Recommended Practice. This has had no effect on the reserves of the company.

Funds

Unrestricted funds comprise of accumulated surpluses and deficits on general funds are available for use at the discretion of the Executive Board in furtherance of the general charitable objectives. Restricted funds are funds subject to specific restricted conditions imposed by the donors, or which have been raised by the charity for particular purposes.

Incoming resources

Voluntary income comprises grants and sponsorships, exclusive of VAT and discounts where applicable, that provide core funding or are of a general nature and are recognised in the period to which costs can be matched, when received in advance.

Income from charitable activities represent the total income receivable during the year from box office income. Income is deferred when it is received in advance of an event taking place.

Investment income is recognised on a receivable basis.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Cost of generating funds comprise the costs associated with attracting voluntary income and the costs of the expenditure for raising sponsorship income.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories on the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Depreciation

Depreciation has been provided to write off cost, less estimated residual values, of tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Computers	-	50% straight line
Fixtures and fittings	-	33 1/3% - 50% straight line

**Manchester International Festival
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Notes forming part of the financial statements for the year ended 31 March 2007

1 Accounting policies (*continued*)

Productions in preparation

Costs relating directly to a production which are incurred in advance of its staging, such as commissioning and build costs, are charged in the first instance to the balance sheet and disclosed under the heading 'productions in preparation'. These costs are subsequently charged to the Statement of Financial Activities in the period in which the production's first performance takes place.

Donated services and facilities

Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity. Donated services and facilities are analysed in note 2.

Fund structure

The charity has various restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose. All other funds are unrestricted income funds.

Pension costs

The Charity operates a defined contribution scheme. The assets of this scheme are held separately from those of the Charity, being invested with insurance companies. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Charity in the year.

2 Grants and donations

	2007 £	16 months ended 31 March 2006 £
UCP	254,489	247,715
MCC	750,000	646,892
Visiting Arts	5,000	-
Sector Skills	-	808
Other	241	120
Donated services and gifts in kind	109,601	30,000
	<u>1,119,331</u>	<u>925,535</u>

Donated services and gifts in kind were received from various organisations to assist in the costs of the charity during the year. They include as follows: Bruntwood, Manchester City Council, West Coast Trains, Newsco and Deloitte. The income equivalent was recognised within incoming resources as a donation, and an equivalent charge included within the appropriate costs.

Manchester International Festival
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Notes forming part of the financial statements for the year ended 31 March 2007 (*Continued*)

3 Income from investments

		16 months ended 31 March 2006
	2007 £	£
Interest receivable	11,919	1,586
	<u> </u>	<u> </u>

4 Incoming resources from charitable activities

The income relates to the Manchester International Festival

		16 months ended 31 March 2006
	2007 £	£
Trailblazer events	15,000	221,788
	<u> </u>	<u> </u>

5 Analysis of charitable expenditure

The charity undertakes direct charitable activities only and does not make grant payments

			16 months ended 31 March 2006	2007
	Basis of allocation	Commission	Total £	Total £
Wages and salaries	Direct	513,028	513,028	513,077
Project feasibility	Direct	51,552	51,552	35,982
Commission costs	Direct	68,276	68,276	383,375
Branding and advertising	Direct	304,482	304,482	131,460
Support costs (note 6)	Direct	268,648	268,648	156,654
		<u>1,205,986</u>	<u>1,205,986</u>	<u>1,220,548</u>

Manchester International Festival
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Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)

6 Support costs

The charity allocates its support costs as shown in the table below and then further apports these costs on a basis consistent with the use of resources

						16 months ended 31 March 2006 Total £
	Basis of allocation	Voluntary Income £	Gover- nance £	Festival £	2007 Total £	
Wages and salaries	Direct	-	27,000	58,331	85,331	87,044
Legal and professional fees	Direct	2,019	-	30,147	32,166	43,421
Audit fees	Direct	-	1,085	-	1,085	9,316
Bank charges	Direct	-	-	168	168	81
Depreciation	Direct	4,882	-	21,910	26,792	12,280
Travel and accommodation	Direct	28,473	104	26,410	54,987	38,076
Establishment expenses	Direct	17,990	-	71,186	89,176	52,462
Premises costs	Direct	11,930	-	60,496	72,426	71,129
		<u>65,294</u>	<u>28,189</u>	<u>268,648</u>	<u>362,131</u>	<u>313,809</u>

7 Movement in total funds for the year

Net movement in funds are stated after charging

	2007 £	2006 £
Auditors' remuneration – current year	4,000	4,000
Depreciation	26,792	12,280
	<u> </u>	<u> </u>

8 Analysis of staff costs

Staff costs	2007 £	2006 £
Wages and salaries	535,894	319,664
Social security costs	48,563	32,903
Other pension costs	11,169	2,514
	<u>595,626</u>	<u>355,081</u>

Manchester International Festival
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Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)

8 Analysis of staff costs (continued)

Number of employees

The average number of full-time equivalent employees (including casual and part time staff) during the year was as follows

	2007	2006
Festival	10	4
Fundraising	3	-
Governance	1	1
	<u>14</u>	<u>5</u>

Two employees received remuneration amounting to more than £60,000 in 2007 (2006 1)

9 Trustees' remuneration and reimbursed expenses

None of the trustees received remuneration for their services during the year

One trustee was reimbursed expenses of £104 in the year. No other trustees were reimbursed for expenses during the year

10 Fixed assets

	Office equipment £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>			
At 1 April 2006	34,104	15,784	49,888
Additions	11,938	-	11,938
At 31 March 2007	<u>46,042</u>	<u>15,784</u>	<u>61,826</u>
<i>Depreciation</i>			
At 1 April 2006	8,581	3,699	12,280
Charge for the year	20,078	6,714	26,792
At 31 March 2007	<u>28,659</u>	<u>10,413</u>	<u>39,072</u>
<i>Net book value</i>			
At 31 March 2007	<u>17,383</u>	<u>5,371</u>	<u>22,754</u>
<i>Net book value</i>			
At 31 March 2006	<u>25,523</u>	<u>12,085</u>	<u>37,608</u>

Manchester International Festival
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Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)

11 Debtors

	2007	2006
	£	£
Trade debtors	449,909	324,967
Other debtors	21,828	15
Prepayments and accrued income	375,387	253,822
Production costs	680,617	-
VAT	40,165	-
	<u>1,567,906</u>	<u>578,804</u>

12 Creditors: amounts due within one year

	2007	2006
	£	£
Trade creditors	468,469	274,128
Taxation and social security	-	35,136
Accruals and deferred income	670,093	319,542
	<u>1,138,562</u>	<u>628,806</u>

13 Deferred income

Deferred income comprises advanced ticket sales for the Festival which takes place in June and July 2007, and sponsorship income received in advance of expenditure incurred

	2007
	£
At 1 April 2006	284,483
Amount deferred in the year	190,000
	<u>474,483</u>
At 31 March 2007	<u>474,483</u>

14 Analysis of charitable funds

Analysis of unrestricted fund movements

	Balance at	Movement in Funds	Balance at
	1 April	Net incoming	31 March
	2006	resources	2007
	£	£	£
General fund	22,803	504,390	527,193
	<u>22,803</u>	<u>504,390</u>	<u>527,193</u>

Manchester International Festival
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Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)

14 Analysis of charitable funds (continued)

Analysis of restricted fund movements

The income fund of the Charity includes restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes

	Movement in Funds		
	Balance at 1 April 2006 £	Net incoming resources £	Transfer to unrestricted fund £
Urban Cultural Programme	-	-	-
Name of fund	Description, nature and purpose of the fund		
Urban Cultural Programme	to fund a series of large scale events to launch the Manchester International Festival		

15 Analysis of net assets between funds

	General funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2007 are represented by			
Tangible fixed assets	22,754	-	22,754
Current assets	1,643,001	-	1,643,001
Current liabilities	(1,138,562)	-	(1,138,562)
	<u>527,193</u>	<u>-</u>	<u>527,193</u>

16 Share capital

The charitable company is limited by guarantee and has no share capital. The liability of the members is limited. In the event of the charitable company being wound up, the liability of the members in respect of their guarantee is limited to £10. The members' liability applies during the time they are a member of the charitable company or one year thereafter as stated in the Memorandum of Association.

17 Taxation

The company is a registered charity and no provision is considered necessary for taxation.

18 Related parties

The company is controlled by the members and directors. During the year the company received sponsorship and other income from the following:

NWDA - £189,166 - where B. Smith is on the Board of Directors

Bruntwood - £145,026 - where M. Oglesby is a director. Rent of £30,000 was also received as a value in kind.

Manchester City Council - £1,000,000 grant income, where M. Hackett is a Councillor and R. Paver is the City Treasurer. Rent of £6,371 was also received as a value in kind.

The following expenses were paid in the year:

Palmer Squared - £50,188 - a company owned by H. Palmer, a key member of the Manchester International Festival team.

World Class Service - £1,000 - a company owned by H. K. Raynor.