

Company number 05292793

Charity number 1113902

Manchester International Festival
(a company limited by guarantee)

Report and Financial Statements

30 September 2012

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Company information

Directors and trustees

Tom Bloxham MBE (Chairman/re-elected February 2012)
Richard Paver (nominated by Manchester City Council)
Chris Oglesby
Sir Brian McMaster CBE
Andrew Stokes
Michael Amesbury (nominated by Manchester City Council/ resigned 25 September 2012)
Rosa Battle (nominated by Manchester City Council/ appointed 26 September 2012)
Kulwinder Thiarai
Jeremy Deller (appointed 18 October 2011)
Joyce Hytner
Peter Salmon
Steve Downes (appointed 18 October 2011)
Nancy Rothwell (appointed 18 October 2011)

Festival director and senior executive

Alex Poots

Secretary and registered office

Jim Forrester
Blackfriars House
Parsonage
Manchester M3 2JA

Company number

05292793

Charity number

1113902

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester M2 3EY

Bankers

The Co-operative Bank
P O Box 250
Delf House
Southway
Skelmersdale
WN8 6WT

Solicitors

Cobbetts LLP
58 Mosley Street
Manchester M2 3HZ

Trustees' report

The trustees are pleased to present their report together with the audited financial statements of the charity for the year to 30 September 2012

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 as amended by a special resolution dated 18 July 2008. The company became a registered charity on 26 April 2006.

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.

All directors on the Board are members with the exception of the directors appointed by Manchester City Council. A director must be a person aged eighteen years or older who is not disqualified from acting as a director or charity trustee by law.

Appointment and retirement of directors

The company may, by ordinary resolution, appoint a person who is willing to be a director. Manchester City Council may from time to time by notice in writing appoint up to two persons as directors.

A director appointed by Manchester City Council may at any time be removed from office by notice in writing by the City Council. All other directors are subject to retirement after three years. A director may be re-appointed for a second term of office but at the end of the second term of office, they may only be appointed for a third term if 75% of the Board agree. Following three terms, there must be a gap of at least 12 months before he or she can be re-appointed for a further term.

Trustee induction and training

All new trustees receive a board induction pack including the charity's governing document, details of the responsibilities of charity trustees, the next Festival budget, the most recent management financial statements and papers from the previous two board meetings. The new trustee then has an induction meeting where the contents of the pack are discussed in detail.

Organisation

The trustees administer the charity. They meet as a board quarterly and have a Finance and Audit subcommittee, which meets prior to each board meeting. An Artistic Director & CEO is appointed to administer the day to day operations of MIF. To assist in the effective running of the charity the CEO has, as approved by the trustees, delegated operational matters including finance, production and marketing.

Trustees' report (continued)

Related parties

Information concerning the related parties is detailed in note 22 of the financial statements

Risk management

The charity regularly reviews risk at the Finance and Audit subcommittee meetings. Action is taken to minimise those risks deemed significant and likely. In addition a production risk grid is produced in the run up to the Festival looking at particular risks associated with each production. The Finance and Audit subcommittee reports these findings to the trustees.

Objectives and Activities

The aims and objectives of the Festival are

To consolidate Manchester International Festival's position as the leading festival of original, new work, created by a wide range of major international artists

- Presenting world premieres and special events by internationally acclaimed artists
- Sustaining relationships with key artists across a number of festivals
- Building strong working relationships with leading cultural organisations locally, nationally and internationally

To help secure Manchester's reputation as a leading cultural city and showcase its ability to deliver major large-scale events

- Creating an ambitious risk-taking, artist-led festival, one that also animates the city centre
- Attracting a conspicuously broad audience, regionally, nationally and internationally
- Gaining significant media coverage, locally, nationally and internationally

To help build the creative potential of Manchester's different communities and artists through a select series of innovative, high quality community-based commissions and creative development programmes

- Building a long-term and innovative community engagement programme delivered to the same ambitions and values as the rest of the Festival
- Ensuring that there are opportunities for all Manchester residents to attend events in the Festival – through a programme of free events, discount tickets and audience access programmes

Trustees' report (continued)

Objectives and Activities (continued)

To ensure that the Festival is a sustainable event – financially and environmentally

- Building a mixed funding base for the Festival, combining public and private sector support with an entrepreneurial approach to fundraising and a rigorous approach to cost control
- Working towards making the Festival a model of sustainability – ie creating an enduring and balanced approach to economic activity, environmental responsibility and social progress throughout the Festival's activities

In the opinion of the Trustees these objectives are consistent with the duty to further its charitable purposes for the public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission in respect of public benefit matters

Achievements and performance

The non-Festival year is a time of research and development work by the core team during which proposals for the next Festival are devised, negotiated, refined and contracted

The staffing of the company was scaled back to the core team in late 2011 and, in addition, the senior team was restructured in mid 2012 due to the departure of both the General Director and Administrative Director. This led to the recruitment of a new Executive Director and the re-designation of the Associate Director as Managing Director, both forming the Executive alongside the single, combined post of Artistic Director and CEO. Two new Executive Producers were also recruited to handle productions and touring on one hand and co-commissioning on the other. A new post of Head of Finance was also created and filled in April 2012.

During the year several co-commissioned productions which premiered in Manchester during the 2011 Festival toured to other venues both nationally and internationally

- *The Life and Death of Marina Abramovich* toured to co-commissioning venues in Madrid, Basel, Antwerp and Amsterdam during the summer of 2012 and may tour again in 2013
- *Dr Dee* toured to the English National Opera in London in June 2012
- *Crash of the Elysium* was staged in Ipswich in July 2012 under the aegis of the Cultural Olympiad
- *11 Rooms* was restaged as part of the Ruhr Biennale and will travel to Sydney in 2013

Trustees' report (continued)

Achievements and performance (continued)

MIF has continued with its commitment to become a more environmentally sustainable organisation. In May 2010 MIF achieved the national standard for sustainable event management (BS 8901) making it one of the first international festivals to be independently awarded the standard and this commitment to sustainability has been maintained.

MIF was also nominated for an award in the Manchester Tourism awards for Tourism Event of the Year. MIF then went on to the North West regional awards where it won the Tourism Event of the Year award.

Several volunteers from the 2009 Festival have gone on to secure work directly as a result of their experiences at MIF.

Financial review

As MIF is a biennial Festival, budgets are prepared over a two year cycle so the surplus for this year of £788,915 is the balance mid way through the two year Festival cycle and it does not accurately reflect the likely financial position at the end of that cycle. The Festival is currently working to a break even budget over the two year cycle and all of the current surplus is forecast to be spent by 30 September 2013. MIF aims to ensure robust financial planning, which has resulted in significant sponsorship and grant income being secured in the first year of the 2013 Festival cycle to enable us to plan for the operation of the Festival in 2013. All of this sponsorship and grant income has been recognised in full within these financial statements, according to Charities SORP recommendations, even though only a small percentage of the income pledged has been received at the year-end date.

MIF is grateful for the continued support of Manchester City Council and Arts Council England as revenue funders.

MIF is working hard to secure the remaining income for the 2013 Festival and has been successful in securing significant co-commissioning income for 2013 in spite of worldwide budget cutbacks in the arts.

Investment powers and policy

Under the company's Memorandum and Articles of Association the charity has the power to invest in any way deemed appropriate. MIF endeavours to make best use of available funds by investing these funds in interest bearing deposit bank accounts.

Reserves policy

The Trustees wish to establish a reserve that will aim to cover three months of fixed costs (excluding project costs). The larger part of the surplus brought forward from September 2011 of £99,632 is currently held on this basis but the surplus for the year to 30 September 2012 will all be used for the 2013 Festival.

Trustees' report (continued)

Plans for future periods

The next Festival will run from 4 July to 21 July 2013. The Festival will continue to programme a series of new artist-led commissions, looking at ways of making more of the commission work harder for MIF and reaching larger numbers of people – for instance by running them for longer or by designing the commissions so that they work across a number of platforms and connect to community engagement initiatives. These commissions will be supported by a programme of concerts and special events.

Some of the projects announced for 2013 include

Macbeth – Directed by Sir Kenneth Branagh and Rob Ashford and starring Branagh himself, this new production will be staged in a deconsecrated church.

The xx - Following the release of their Number 1 album *Coexist* The XX will be in residence at MIF, taking over an enigmatic found space in the centre of the city for the whole Festival.

The Biospheric Project – this project sees MIF team up with the Biospheric Foundation, a local community of researchers, scientists and urban farmers, to transform an old industrial building in Salford into an agricultural space filled with experiments in sustainable food, technology and design.

MIF Creative will continue into the 2013 Festival, enabling MIF to build relationships with local communities and creating a genuine long-term legacy. A number of commissions, including **The Biospheric Project**, are planned to work with communities throughout the Manchester area.

MIF will continue to offer many free events as part of the Festival in 2013.

The volunteer scheme will again form a crucial part of the 2013 Festival offering opportunities in many different areas and between 300 and 400 volunteers will be recruited early in 2013.

Auditors

In accordance with section 418(2) of the Companies Act 2006, each of the above Trustees (excluding those who have resigned at the date of this report)

- is not aware of any relevant audit information of which the Company's auditors are unaware, and
- has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



Richard Paver

Date 7 March 2013

Statement of trustees' responsibilities

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company and charity law requires the trustees to prepare financial statements for each financial year. Under these laws the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 year. In preparing these financial statements, the trustees are required to

- select the most suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are also responsible for ensuring that the assets of the charity are properly applied in accordance with charity law.

Independent auditor's report

to the members of Manchester International Festival

We have audited the financial statements of Manchester International Festival for the year ended 30 September 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 22 (pages 11 to 20). The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report

to the members of Manchester International Festival (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

Ernst & Young LLP

Alastair Nuttall (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

Date 11 March 2013

Statement of financial activities

(including income and expenditure account)

for the year ending 30 September 2012

Company Number 05292793 – Registered Charity Number 1113902

		Unrestricted	Restricted	Year Ended 30 Sep 12	Year Ended 30 Sep 11
		£	£	£	£
Incoming resources	Note				
<i>Incoming resources from generated funds.</i>					
Voluntary Income					
Grants and donations	2	1,605,895	112,500	1,718,395	3,232,448
Activities for generating funds	3	540,857	-	540,857	1,424,246
Investment income	4	5,992	-	5,992	21,420
		<u>2,152,744</u>	<u>112,500</u>	<u>2,265,244</u>	<u>4,678,115</u>
<i>Incoming resources from charitable activities</i>					
Operation of festival	5	1,080,705	-	1,080,705	4,093,028
Total incoming resources		<u>3,233,449</u>	<u>112,500</u>	<u>3,345,949</u>	<u>8,771,143</u>
Resources expended					
<i>Cost of generating funds</i>					
Costs of generating voluntary income	6	156,886	-	156,886	296,238
<i>Charitable activities</i>					
Festival costs	7	2,291,655	69,088	2,360,743	9,479,084
<i>Governance costs</i>	8	39,405	-	39,405	76,431
Total resources expended		<u>2,487,946</u>	<u>69,088</u>	<u>2,557,034</u>	<u>9,851,753</u>
Net Movement in Funds		745,503	43,412	788,915	(1,080,610)
Total funds brought forward.					
At 1 October 2011		149,632	-	149,632	1,230,242
Total funds carried forward		<u>895,136</u>	<u>43,412</u>	<u>938,548</u>	<u>149,632</u>

All amounts relate to continuing activities

All recognised gains and losses are included in the Statement of Financial Activities

*The current year is the first of the two year Festival cycle. Income is received over the two year cycle in order to fund the costs of the Festival which will take place in July 2013 and most of the expenditure therefore will be incurred in the 2012/13 financial year

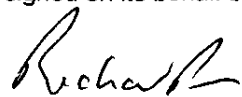
Balance sheet

at 30 September 2012

Company Number 05292793 – Registered Charity Number 1113902

	Note	30 Sep 2012 £	30 Sep 2011 £
Fixed assets			
Tangible assets	12	<u>7,932</u>	<u>2,854</u>
		7,932	2,854
Current assets			
Debtors	13	353,555	1,257,724
Cash and bank balances		<u>1,165,298</u>	<u>302,772</u>
		1,518,855	1,560,495
Creditors			
Amounts falling due within one year	14	(588,239)	(1,413,717)
Net current assets		930,616	146,778
Net assets		<u>938,548</u>	<u>149,632</u>
Funds			
Unrestricted Funds - General	16	859,734	99,632
- Designated (Digital & IT)	16	35,402	50,000
Restricted Funds	16	43,412	-
		<u>938,548</u>	<u>149,632</u>

These financial statements were approved and authorised for issue by the Board and were signed on its behalf by



Richard Paver

Date 7 March 2013

Notes to the financial statements

at 30 September 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with the Companies Act 2006 and follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice issued in March 2005

Statement of cash flows

As a small company, no statement of cash flows is required to be prepared under the exemption allowed in FRS 1 (Revised)

Funds

Unrestricted funds comprise accumulated surpluses and deficits on general funds and 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, donations and sponsorship that provide core funding or are of a general nature. All grants and donations receivable are recognised when the conditions for receipt have been met. Where grants and donations are performance related or restricted to future accounting periods they are deferred and accounted for as a liability.

Income from charitable activities represents the total income receivable during the year from box office income and co-commissioning 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 comprises 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 Statement of Financial Activities 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 over £1,000 evenly over their expected useful lives. It is calculated at the following rates:

Equipment	– 50% straight line per annum
Fixtures and fittings	– 33 1/3%-50% straight line per annum

Notes to the financial statements

at 30 September 2012

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 prepayments. These costs are subsequently charged to the Statement of Financial Activities in the year 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.

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.

Leasing commitments

Rentals payable under operating leases are charged as expenditure to the Statement of Financial Activities on a straight line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the Statement of Financial Activities.

Notes to the financial statements

at 30 September 2012

2. Grants and donations

	Unrestricted £	Restricted £	30-Sep-12 £	30-Sep-11 £
MCC	1,050,000	-	1,050,000	2,100,000
Arts Council England	507,900	-	507,900	608,000
Arts Council England project grant	-	7,500	7,500	2,500
Calouste Gulbenkian Foundation	-	-	-	175,000
Paul Hamlyn Foundation	-	20,000	20,000	65,000
Greater Manchester Strategic Arts Fund	-	-	-	60,000
Association of Greater Manchester Authorities	45,000	-	45,000	60,000
Esmée Fairbairn Foundation	-	55,000	55,000	25,000
The Foyle Foundation	-	-	-	20,000
Jerwood DCMS Creative Bursary	-	-	-	20,000
Vision and Media	-	-	-	20,000
Zochonis Charitable Trust	-	20,000	20,000	-
Anneburg Foundation (Chora Council)	-	-	-	15,885
Tom Bloxham Trust	-	-	-	5,000
Performing Rights Society	-	-	-	3,000
Diaphonique	-	-	-	3,000
The Steinberg Family Chan	-	-	-	1,000
Big Lottery Fund	-	10,000	10,000	-
Individual Giving	2,995	-	2,995	49,063
	<u>1,605,895</u>	<u>112,500</u>	<u>1,718,395</u>	<u>3,232,448</u>

3. Incoming resources from generated funds:

Activities for generating funds

	30-Sep-12 £	30-Sep-11 £
Sponsorship	392,500	1,088,000
Sponsorship in kind	138,631	297,736
Other income	9,726	38,510
	<u>540,857</u>	<u>1,424,246</u>

Sponsorship in kind includes services provided by Bruntwood Group Limited, Ernst & Young LLP and Virgin Trains

4 Income from investments

	30-Sep-12 £	30-Sep-11 £
Interest receivable	<u>5,992</u>	<u>21,420</u>

Notes to the financial statements

at 30 September 2012

5 Incoming resources from charitable activities

	30-Sep-12 £	30-Sep-11 £
Box Office	-	1,645,137
Co-production income	112,203	2,375,502
Touring, project rentals & sales and royalties	967,544	45,321
Programme and miscellaneous income	958	27,068
	<u>1,080,705</u>	<u>4,093,028</u>

6 Costs of generating voluntary income

	30-Sep-12 £	30-Sep-11 £
Wages and salaries	132,788	172,484
Direct costs	11,561	102,756
Support costs (Note 8)	12,537	20,998
	<u>156,886</u>	<u>296,238</u>

7 Analysis of charitable expenditure – Festival costs

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

	Direct Costs £	Wages and Salaries £	30-Sep-12 £	30-Sep-11 £
Core Festival Staff	-	402,954	402,954	446,034
R&D	52,652	-	52,652	55,816
Commission Costs	943,423	418,341	1,361,764	7,463,798
Branding and advertising	95,054	109,691	204,745	1,144,672
Volunteers	-	-	-	55,131
Support costs (note 8)	338,629	-	338,629	313,633
	<u>1,429,757</u>	<u>930,986</u>	<u>2,360,743</u>	<u>9,479,085</u>

Notes to the financial statements

at 30 September 2012

8 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

	Voluntary Income	Governance	Charity Activity	30-Sep-12	30-Sep-11
	£	£	£	£	£
Wages and salaries	-	31,907	-	31,907	40,813
Professional fees and charges	-	6,490	-	6,490	22,744
Other staff costs	3,428	1,008	52,270	56,706	42,684
Depreciation	-	-	5,362	5,362	9,847
Running expenses	9,109	-	81,982	91,091	45,582
Premises costs	-	-	199,015	199,015	113,582
	<u>12,537</u>	<u>39,405</u>	<u>338,629</u>	<u>390,571</u>	<u>275,251</u>

The costs are allocated on a time basis

9. Movement in total funds for the year

Net movement in funds are stated after charging

	30-Sep-12	30-Sep-11
	£	£
Auditors' remuneration – current period	4,500	12,000
Operating lease rentals – land & buildings	115,512	82,039
Depreciation	<u>5,362</u>	<u>6,550</u>

10. Analysis of staff costs

	30-Sep-12	30-Sep-11
	£	£
Wages and salaries (includes production wages)	965,097	1,364,835
Social security costs	109,649	153,134
Other pension costs	19,936	23,839
	<u>1,094,682</u>	<u>1,541,809</u>

Notes to the financial statements

at 30 September 2012

10 Analysis of staff costs (continued)

Number of employees

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

	30-Sep-12 No	30-Sep-11 No
Festival	19	32
Fundraising	1	4
Governance	1	1
	<u>21</u>	<u>37</u>

The number of staff who were paid more than £60,000 in the following ranges were

	30-Sep-12 No	30-Sep-11 No
£60,001 - £70,000	-	1
£70,001 - £80,000	-	1
£90,001 - £100,000	1	1
£120,001 - £130,000	1	1
	<u>2</u>	<u>4</u>

One (2011 – three) of the higher-paid staff are members of the company's defined contribution pension scheme. A total of £4,500 (2011 – £12,306) was paid in pension contributions for this person

11. Board's remuneration and reimbursed expenses

None of the Board members received remuneration for their services during the year

One board member received travel reimbursements of £63 during the year

Notes to the financial statements

at 30 September 2012

12. Fixed assets

	Equipment £	Fittings £	Total £
Cost			
At 1 October 2011	97,145	17,037	114,182
Additions	10,441	-	10,441
At 30 September 2012	<u>107,586</u>	<u>17,037</u>	<u>124,623</u>
Depreciation			
At 1 October 2011	94,291	17,037	111,328
Charge for the year	5,362	-	5,363
At 30 September 2012	<u>99,653</u>	<u>17,037</u>	<u>116,691</u>
Net book value			
At 30 September 2012	<u>7,932</u>	<u>-</u>	<u>7,932</u>
At 30 September 2011	<u>2,854</u>	<u>-</u>	<u>2,854</u>

13. Debtors

	30-Sep-12 £	30-Sep-11 £
Trade debtors	272,340	656,831
Other debtors	7,259	7,599
Prepayments and accrued income	30,246	163,125
VAT	43,711	430,168
	<u>353,555</u>	<u>1,257,724</u>

14. Creditors: amounts falling due within one year

	30-Sep-12 £	30-Sep-11 £
Trade creditors	273,780	948,594
Accruals and deferred income	314,459	465,123
	<u>588,239</u>	<u>1,413,717</u>

Notes to the financial statements

at 30 September 2012

15. Deferred income

Deferred income comprises grants and sponsorship received in advance of expenditure incurred

	£
At 1 October 2011	134,168
Amount released in the year	(134,168)
Amount deferred in the period	250,000
At 30 September 2012	<u>250,000</u>

16. Analysis of charitable funds

	Movement in Funds			
	Balance at 1 Oct 2011 £	Net incoming resources £	Net outgoing resources £	Balance at 30 Sep 2012 £
Analysis of unrestricted fund movements				
General Fund	99,632	3,233,449	(2,473,347)	859,734
Designated Fund (Digital & IT)	50,000	-	(14,599)	35,402
Analysis of restricted fund movements				
Restricted Fund	-	112,500	(69,088)	43,412
	<u>149,632</u>	<u>3,345,949</u>	<u>(2,557,034)</u>	<u>938,548</u>

Digital & IT Reserve

This fund has been set up specifically to invest in an IT and digital review of the Festival and to invest in future infrastructure

Notes to the financial statements

at 30 September 2012

17. Analysis of net assets between funds

Fund balances at 30 September 2012 are represented by

	£	£	£
Tangible Fixed Assets	7,932	-	7,932
Current assets	1,475,442	43,412	1,518,855
Current liabilities	(588,239)	-	(588,239)
	<u>895,136</u>	<u>43,412</u>	<u>938,548</u>

18. 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.

19. Taxation

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

20. Operating lease commitments

The amounts payable under operating leases shown below are analysed according to the expiry of the leases.

	Land & Buildings 30 Sep 12 £	Land & Buildings 30 Sep 11 £
Operating leases which expire		
Within one year	-	84,061
Within two to five years	<u>105,717</u>	<u>-</u>

21. Pension arrangements

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. During the year, the charity paid £19,936 (2011 – £23,839) towards pension contributions.

Notes to the financial statements

at 30 September 2012

22 Related parties

The charity has a close working relationship with Manchester City Council ("MCC") which has nominated two of the charity's trustees and provides a significant proportion of the funding to enable the charity to carry out its charitable objectives, principally the delivery of a biennial festival. The income from MCC in the year is disclosed in note 2.

In addition, the charity receives grant funding from Arts Council England (ACE) as well as sponsorship income from Bruntwood and National Car Parks Manchester Ltd, which also have board members who act as trustees of the Festival. BBC North were a co-commissioner for two projects in the 2011 Festival and the trustee Peter Salmon is Director, BBC North.

The charity is provided with rent-free offices in Manchester by Bruntwood Estates, whose CEO, Chris Oglesby, also acts as a trustee.

As the funding received from such bodies is applied to pursue the normal, independent activities of the charity and in no way inhibits it from doing so, none of the transactions with these bodies is regarded as a related party transaction that needs to be disclosed in further detail in the financial statements.

Other less significant sums of income and expenditure are also received from and paid to bodies with which trustees have connections but the amounts are not material and arise in the normal course of business.