

Company number: 05292793

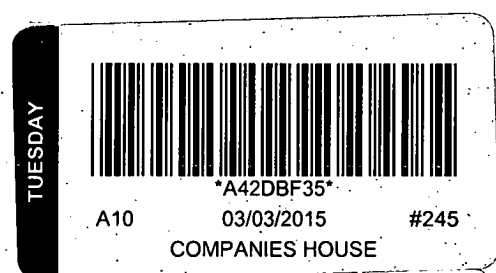
Charity number: 1113902

# **Manchester International Festival**

(a company limited by guarantee)

## **Report and Financial Statements**

30 September 2014



## Company information

### Directors and trustees

Tom Bloxham MBE (Chairman)  
Richard Paver (nominated by Manchester City Council)  
Chris Oglesby  
Sir Brian McMaster CBE  
Andrew Stokes  
Cllr Rosa Battle (nominated by Manchester City Council)  
Kulwinder Thiarai  
Jeremy Deller  
Joyce Hytner  
P  ter Salmon  
Steve Downes  
Nancy Rothwell  
Keith Black (appointed 24 September 2014)

### 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

Grant Thornton UK LLP  
4 Hardman Square  
Spinningfields  
Manchester M3 3EB

### Bankers

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

### Solicitors

DWF LLP (to April 2014)  
Scott Place,  
2 Hardman Street,  
Manchester M3 3AA

Eversheds LLP (from May 2014)  
70 Great Bridgewater St  
Manchester M1 5ES

## 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 2014.

### **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 18 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 four years (Articles amended to permit four years from 24 September 2014). 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 subsequent terms if 75% of the Board agree.

#### **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 sub-committee, which meets prior to each board meeting, and, from July 2014, a Development sub-committee which meets at intervals as required. 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.

#### **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 sub-committee 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 sub-committee reports these findings to the trustees.

## Trustees' report (continued)

### Objectives and Activities

The aims and objectives of the Festival are:

- 1) **To build on Manchester International Festival's position as the leading festival of original, new work, created by a wide range of significant international artists, by**
  - Presenting high quality, challenging world premieres and special events by leading international artists across different mediums and platforms including digital commissioning.
  - Working with key partners to develop lyric programming in the North West.
  - Sustaining relationships with key artists across a number of festivals.
  - Building strong working relationships with leading cultural organisations regionally, nationally and internationally.
  - Exploring an 'out of Festival' presence in Manchester.
- 2) **To develop Manchester's reputation as a leading international city that understands the power of artistic excellence and innovation to drive up the economy of the city region by**
  - Growing an ambitious and risk-taking Festival using our successful co-commissioning model.
  - Increasing national and international co-commissioning and touring.
  - Attracting a conspicuously broad audience, regionally, nationally and internationally.
  - Gaining significant media coverage, regionally, nationally and internationally via traditional and new media.
  - Expanding skills and capacity and developing talent in the cultural sector in the city region, providing opportunities at the highest level for local cultural producers and practitioners.
- 3) **To help build the engagement and creative potential of Manchester's diverse communities through a series of innovative, high quality community-based commissions and creative development programmes by**
  - Enhancing the Festival's flagship MIF Creative programme to deepen its engagement, effectiveness and visibility, and to widen its reach.
  - Increasing the opportunities for all Manchester residents to engage with the Festival – including
    - doubling our £12 ticket scheme across the entire programme ensuring they reach the communities with lower engagement;
    - programming free events across the Festival;
    - providing opportunities for volunteering;
    - creating welcoming entry points for the broadest range of audiences.
  - Looking for 'Manchester moments' as part of our commissioning vision.
  - Ensuring that the Festival continues to provide for children, young people and families through imaginative programming at accessible times.
  - Building on the success of MIF13's Festival Square and its free artistic programme, making the most of its ability to attract more hard to reach audiences.

## Trustees' report (continued)

4) **To ensure that the Festival is a sustainable event – financially and environmentally- by**

- Continuing to build a mixed funding base for the Festival, using increased public sector support to lever in more private sector and international co-commissioning funds whilst maintaining an entrepreneurial approach to fundraising and a rigorous approach to cost control.
- Working towards making the Festival a model of sustainability – i.e. 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**

As in previous cycles, 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 and contracted, and when the funding for the next Festival is secured.

During the year, a significant uplift in three-year funding from Arts Council England (ACE) as a National Portfolio Organisation (NPO) was bid for and achieved, and the financial support from Manchester City Council (MCC) was maintained at the previous high level despite a prevailing backdrop of cutbacks.

For the 2013 Festival, MIF worked with a total of 23 co-commissioning and co-producing partners. As well as bringing significant inward investment into the City, these strong working relationships will continue to deliver future benefits. Many of the works that made their debuts in Manchester will go on to be presented by partner organisations, continuing to raise the profile of MIF and Manchester as they travel around the world.

During this period, MIF Touring was involved with presenting shows across the globe:

- *The Life and Death of Marina Abramovich*, originally presented as part of MIF11, was presented in New York in Dec 2013.
- *Zigzag Zigzag* from MIF 13 was presented in Newcastle as part of Juice Festival.
- *The A to Z of Manchester Music* from MIF13 was seen in Moscow.
- *11 Rooms* from MIF11, after evolving into *12 & 13 Rooms*, became *14 Rooms* in Basel presented as part of Art Basel to great critical acclaim.
- Matthew's Barney's epic operatic film *River of Fundament* opened in New York in February & then travelled to Adelaide, Munich, Vienna, Reykjavik, Toronto, Basel, Amsterdam, London, Greenland & Essen with further presentations scheduled for 2014 & 2015.

MIF has continued with its commitment to become a more environmentally sustainable organisation. In March 2013, MIF achieved 2nd level certification in the national standard for sustainable event management (ISO20121) recognising the resilience and sustainability in the way the business is run.

MIF also won the Gold Award in the Visit England Awards for Best Tourism Experience and the Best Design award in the Manchester Theatre Awards for *'The Old Woman'* staged as part of MIF13.

## Trustees' report (continued)

*"It's the combination of global daring and local investigation that has made the Manchester International Festival so indispensable. It mines the city, recovering its stories and finding out exceptional spaces in which to tell them." Susannah Clapp, The Observer, July 2013*

### **Financial review**

As MIF is a biennial Festival, budgets are prepared over a two year cycle and 2013/14 is the first year of the cycle for the 2015 Festival. The surplus for this year of £729,639 is the balance mid-way through the cycle and it does not accurately reflect the likely financial position at the end of the MIF15 cycle. The Festival is currently working to a break even budget over the two-year festival period and all of this year's surplus is forecast to be spent by 30 September 2015.

Robust financial planning for the second year of the cycle aims to ensure that despite spending the whole surplus generated in 2013-14 on the delivery of the MIF15 Festival, MIF will maintain its reserves at around £143k at the end of the current cycle.

A significant level of sponsorship and grant income has been secured this year, with some of it already received and recognised in these financial statements. The balance shall be received in the second year of this cycle to enable us to produce and deliver the Festival in 2015.

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 2015 Festival and considerable efforts are made to achieve its co-commissioning income target for 2015 in spite of continuing 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 reserves brought forward from the end of last cycle were £143k and it is expected that the reserves will remain at the same level at the end of this cycle on 30 September 2015, due to the current forecast of a balanced budget for this Festival.

### **Plans for future periods**

2015 will mark the fifth edition of the Festival and the tenth anniversary of the first Festival event – *Gorillaz: Demon Days Live* staged in 2005. MIF is no longer a start up but an established player on the national and international stage. Despite a difficult climate for private sponsorship, public funding and box office targets, we are convinced that we must keep developing as contracting the Festival now could lose us much hard-won ground. We are seeking to evolve and extend the Festival's artistic benefits, reach and economic viability without losing the essential character of the biennial Festival.

We believe that there is increasing recognition that MIF represents a new type of festival. MIF's unique character comes from our decision to work with a relatively small group of artists providing them with significant support and resources to undertake original projects that are often not achievable elsewhere. MIF chimes well with the current appetites of artists, audiences and media alike, who are likely to judge the success of a festival less by the volume of what is presented and more by the quality and distinctiveness of the offer.

We will grow our international co-commissioning partnerships with new and existing like-minded cultural organisations from across the globe and within the UK who invest money and expertise in the commissions and take the shows to their audiences after the Manchester premiere. These partners have included to date Abu Dhabi Festival, Art Basel, Brooklyn Academy of Arts and

## Trustees' report (continued)

Music, ENO, Holland Festival, Luminato Festival Toronto, Sadler's Wells, Park Avenue Armory New York, Ruhr Triennale Germany, London 2012 Festival, St Ann's Warehouse, Teatro Real Madrid and Theatre du Chatelet Paris among others.

The practice of co-commissioning is not unique to MIF but the range of co-commissions across the performing and visual arts is, and we have worked hard to make it a core part of the Festival structure and its character. This brings benefits far beyond the cash value – a potential £1.6 million for the 2015 Festival, up from £255,000 in 2007 – giving our shows an extended life, greater cultural impact and a much wider audience reach. The relationships with co-commissioning organisations allow MIF and Manchester to have a meaningful dialogue with the wider cultural world, giving our artists and our team more opportunities to interrogate our work and practices. It also creates a landscape in which cities can do business and share best practice with each other.

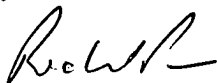
Since 2007, 28 MIF shows have gone on to have a life outside the Festival, visiting almost 50 different venues for a total of 64 separate presentations; five major shows have transferred to New York alone. As a further measure of our international reach, visitors from 40 countries bought tickets for MIF13. Increasing our international reach and touring more of the work we have created in Manchester is key to the Festival's continuing success.

Through MIF Creative, the festival has successfully engaged with Manchester's diverse communities in imaginative ways. The programme has seen artists as diverse as *John Tavener*, *Victoria Wood*, *Björk*, *Jeremy Deller* and *Amadou & Mariam* working with equally diverse Mancunians, from faith groups, to schools to refugee and asylum seeker musicians. The work is a key driver for legacy and lasting local impact, fostering new partnerships and connections for MIF with cultural or social organisations across the city. Since its launch in 2009, MIF Creative has engaged just fewer than 9000 local participants on projects exploring the boundaries of creativity in theatre, music, dance, visual art, technology and social innovation. We will be expanding and building on these foundations over the next two festivals and beyond.

We will also continue to develop our digital strategy, supporting commissions and growing audiences by securing innovative online presentations of the work, and we will continue to work with artists leading the field in digital discovery to create works that can be experienced online as fully as in a venue in Manchester. In addition to recruiting a Digital Content Manager and co-commissioning across platforms, we will be exploring the interface between art and cutting-edge digital technology.

The second Festival in 2009 saw a useful and wide ranging peer-led evaluation from a group of 'improvement partners'. The feedback from this project has helped shape the long-term strategic direction of the Festival, highlighting the need for a powerful creative learning strand to the programme and the advantages of developing a year-round presence. Building on this work, we plan to engage a comparable group of peers to report on all areas of the Festival programme in 2015.

By order of the Board



Richard Paver

## Statement of Trustees' responsibilities

### Trustees' Responsibilities Statement

The trustees (who are also directors of Manchester International Festival for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees 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 financial statements may differ from legislation in other jurisdictions.



## **Independent auditor's report**

to the members of Manchester International Festival

### **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 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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 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 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 charitable company and its 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on 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 2014 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.

### **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

## **Independent auditor's report (continued)**

to the members of Manchester International Festival

- 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Trustees' Annual Report.

*Grant Thornton UK LLP*

Carl Williams

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Manchester

Date: *27 February* 2015

## Statement of financial activities

(including income and expenditure account)

for the year ended 30 September 2014

Company Number 05292793 – Registered Charity Number 1113902

		Unrestricted	Restricted	Year Ended 30 Sep 14	Year Ended 30 Sep 13
		£	£	£	£
<b>Incoming resources</b>	<b>Note</b>				
<b><i>Incoming resources from generated funds:</i></b>					
Voluntary Income:					
Grants and donations	2	1,472,844	86,060	1,558,904	2,699,077
Activities for generating funds	3	650,814	-	650,814	2,351,713
Investment income	4	3,734	-	3,734	24,514
		<u>2,127,392</u>	<u>86,060</u>	<u>2,213,452</u>	<u>5,075,304</u>
<b><i>Incoming resources from charitable activities</i></b>					
Operation of festival	5	892,821	-	892,821	3,164,741
<b>Total incoming resources</b>		<u>3,020,213</u>	<u>86,060</u>	<u>3,106,273</u>	<u>8,240,045</u>
<b>Resources expended</b>					
<b><i>Cost of generating funds</i></b>					
Costs of generating voluntary income	6	180,421	-	180,421	276,725
<b><i>Charitable activities</i></b>					
Festival costs	7	2,091,566	66,060	2,157,626	8,714,011
<b><i>Governance costs</i></b>	8	38,587	-	38,587	44,508
<b>Total resources expended</b>		<u>2,310,574</u>	<u>66,060</u>	<u>2,376,634</u>	<u>9,035,244</u>
<b>Net Movement in Funds</b>	9	709,639	20,000	729,639	(795,199)
<b>Total funds brought forward:</b>					
At 1 October 2013		143,349	-	143,349	938,548
<b>Total funds carried forward</b>		<u>852,988</u>	<u>20,000</u>	<u>872,988</u>	<u>143,349</u>

## Balance sheet

at 30 September 2014

Company Number 05292793 – Registered Charity Number 1113902

	Note	30 Sep 2014 £	30 Sep 2013 £
<b>Fixed assets</b>			
Tangible assets	12	<u>3,867</u>	<u>34,832</u>
		3,867	34,832
<b>Current assets</b>			
Debtors	13	192,354	1,368,356
Cash and bank balances		<u>1,267,355</u>	<u>1,167,461</u>
		1,459,709	2,535,817
<b>Creditors:</b>			
Amounts falling due within one year	14	(590,588)	(2,427,300)
<b>Net current assets</b>		869,121	108,517
<b>Net assets</b>		<u>872,988</u>	<u>143,349</u>
<b>Funds</b>			
Unrestricted Funds - General	16	852,988	143,349
Restricted Funds	16	20,000	-
		<u>872,988</u>	<u>143,349</u>

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



Richard Paver

Date: 25/2/15

## Notes to the financial statements

at 30 September 2014

### 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 2014

### 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 2014

### 2 Grants and donations

	Unrestricted £	Restricted £	30-Sep-14 £	30-Sep-13 £
MCC	1,000,000	6,500	1,006,500	1,500,000
Arts Council England	389,605	-	389,605	600,000
Arts Council England project grant	-	-	-	179,927
Calouste Gulbenkian Foundation	-	-	-	75,000
Paul Hamlyn Foundation	-	-	-	65,000
PRS Foundation	-	-	-	10,000
Association of Greater Manchester Authorities	55,000	-	55,000	125,000
Esmee Fairbairn Foundation	-	20,000	20,000	20,000
John Ellerman	-	-	-	25,000
Peoples Post Code Lottery	-	45,560	45,560	45,561
Rita Leila Howard Foundation	-	-	-	10,000
Stage One Apprentice Scheme	-	14,000	14,000	-
Individual Giving	28,239	-	28,239	43,589
	<u>1,472,844</u>	<u>86,060</u>	<u>1,558,904</u>	<u>2,699,077</u>

### 3 Activities for generating funds

	30-Sep-14 £	30-Sep-13 £
Sponsorship	531,250	1,734,000
Sponsorship in kind	114,740	251,941
Other income	4,824	365,772
	<u>650,814</u>	<u>2,351,713</u>

### 4 Income from investments

	30-Sep-14 £	30-Sep-13 £
Interest receivable	<u>3,734</u>	<u>24,514</u>

### 5 Incoming resources from charitable activities

	30-Sep-14 £	30-Sep-13 £
Box Office	-	1,279,567
Co-production income	254,683	1,279,272
Touring, project rentals & sales and royalties	637,530	531,634
Programme and miscellaneous income	608	74,268
	<u>892,821</u>	<u>3,164,741</u>

## Notes to the financial statements

at 30 September 2014

### 6 Costs of generating voluntary income

	30-Sep-14 £	30-Sep-13 £
Wages and salaries	142,687	179,135
Direct costs	22,115	73,092
Support costs (Note 8)	15,619	24,498
	<u>180,421</u>	<u>276,725</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-14 £	30-Sep-13 £
Core Festival Staff	-	416,274	416,274	449,416
R&D	69,135	-	69,135	15,084
Commission Costs	873,026	370,100	1,243,126	6,679,134
Branding and advertising	82,640	125,419	208,059	1,182,944
Volunteers	-	-	-	59,605
Support costs (note 8)	221,032	-	221,032	327,828
	<u>1,245,833</u>	<u>911,793</u>	<u>2,157,626</u>	<u>8,714,010</u>

### 8 Support costs

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

	Voluntary Income £	Governance £	Charity Activity £	30-Sep-14 £	30-Sep-13 £
Wages and salaries	-	25,173	-	25,173	27,575
Professional fees and charges	-	12,130	1,352	13,482	38,321
Other staff costs	8,333	1,284	34,163	43,780	107,757
Depreciation	-	-	22,172	22,172	10,831
Running expenses	7,286	-	65,570	72,856	117,522
Premises costs	-	-	97,775	97,775	94,828
	<u>15,619</u>	<u>38,587</u>	<u>221,032</u>	<u>275,238</u>	<u>396,834</u>

The costs are allocated on a time basis.



## Notes to the financial statements

at 30 September 2014

### 9 Movement in total funds for the period

Net movements in funds are stated after charging:

	30-Sep-14 £	30-Sep-13 £
Auditors' remuneration – current period	6,000	12,000
Operating lease rentals – land & buildings	110,618	106,317
Depreciation	22,173	10,831

### 10 Analysis of staff costs

	30-Sep-14 £	30-Sep-13 £
Wages and salaries (includes production wages)	943,280	1,504,114
Social security costs	106,547	162,758
Other pension costs	29,826	31,358
	<u>1,079,653</u>	<u>1,698,230</u>

Number of employees:

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

	30-Sep-14 No.	30-Sep-13 No.
Festival	19	37
Fundraising	3	5
Governance	-	-
	<u>22</u>	<u>42</u>

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

	30-Sep-14 No.	30-Sep-13 No.
£ 60,001 - £ 70,000	2	2
£ 80,001 - £ 90,000	1	-
£100,001 - £110,000	-	1
£120,001 - £130,000	1	1
	<u>4</u>	<u>4</u>

## Notes to the financial statements

at 30 September 2014

3 (2013 – 3) of the higher-paid staff are members of the company's defined contribution pension scheme. A total of £14,150 (2013 – £16,164) was paid in pension contributions for these employees.

### 11 Executive Board's remuneration and reimbursed expenses

None of the Executive Board members received remuneration for their services during the year. Four board members received re-imbursed travel expenses of £44.54; £26.16; £235.30; and £153.20.

### 12 Fixed Assets

	Equipment £	Fixtures & Fittings £	Total £
Cost:			
At 1 October 2013	145,316	17,037	162,353
Additions	1,208	-	1,208
Disposals	(10,000)	-	(10,000)
At 30 September 2014	136,524	17,037	153,561
Depreciation:			
At 1 October 2013	110,484	17,037	127,521
Charge for the year	22,173	-	22,173
At 30 September 2014	132,657	17,037	149,694
Net book value:			
At 30 September 2014	3,867	-	3,867
At 30 September 2013	34,832	-	34,832

### 13. Debtors

	30-Sep-14 £	30-Sep-13 £
Trade debtors	148,372	908,112
Other debtors	6,236	5,996
Prepayments and accrued income	37,746	29,226
VAT	-	425,022
	192,354	1,368,356

## Notes to the financial statements

at 30 September 2014

### 14 Creditors: amounts falling due within one year

	30-Sep-14 £	30-Sep-13 £
Trade creditors	41,250	1,498,336
Accruals and deferred income	487,144	928,964
VAT	62,194	-
	<u>590,588</u>	<u>2,427,300</u>

### 15 Deferred income

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

	£
At 1 October 2013	329,738
Amount released in the year	(329,738)
Amount deferred in the period	348,549
At 30 September 2014	<u>348,549</u>

### 16 Analysis of charitable funds

	Movement in Funds			
	Balance at 1 Oct 2013 £	Net incoming resources £	Net outgoing resources £	Balance at 30 Sep 2014 £
Analysis of unrestricted fund movements:				
General Fund	143,349	3,020,213	(2,310,574)	852,988
Analysis of restricted fund movements:				
Restricted Fund	-	86,060	(66,060)	20,000
	<u>143,349</u>	<u>3,106,273</u>	<u>(2,376,634)</u>	<u>872,988</u>

### 17 Analysis of net assets between funds

	General Fund £	Restricted Fund £	Total Funds £
Tangible Fixed Assets	3,867	-	3,867
Current assets	1,439,709	20,000	1,459,709
Current liabilities	(590,588)	-	(590,588)
	<u>852,988</u>	<u>20,000</u>	<u>872,988</u>

## Notes to the financial statements

at 30 September 2014

### 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 applied 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 for taxation is considered necessary.

### 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 14 £	Land & Buildings 30 Sep 13 £
Operating leases which expire:		
Within one year	-	-
Within two to five years	110,071	106,317

### 21 Pension arrangements

MIF participates in The Pension Trust's Growth Plans (Series 3 and 4) and Ethical Plan on behalf of 12 employees. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plans are multi-employer schemes, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plans' total assets. Accordingly, due to the nature of the Plans, the accounting charge for the period under FRS17 represents the employer contribution payable. A contingent liability in relation to the estimated payment which would be required upon the company's withdrawal from the Growth Plan Series 3 is disclosed in note 24. During the year, the charity paid £29,826 (£31,358 for the year ended 30 Sep 2013) towards pension contributions.

## Notes to the financial statements

at 30 September 2014

### 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 biannual festival. The income from MCC for 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, National Car Parks Manchester Ltd and Regatta Ltd, which also have board members / shareholders group members who act as trustees of the Festival.

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 accounts.

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.

### 23 Derivatives

The charity purchases forward foreign currency contracts to hedge currency exposure on firm future commitments in respect of foreign suppliers. There were no derivatives held at the balance sheet date.

### 24 Contingent Liability

The company has been notified by The Pensions Trust that the estimated payment which would be required upon its withdrawal from the Growth Plan Series 3 is £20,164.