

Company number: 05292793

Charity number: 1113902

Manchester International Festival

Report and Financial Statements

30 September 2018

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Trustees' Annual Report

The trustees are pleased to present their annual directors' report together with the audited consolidated financial statements of the charity and its trading subsidiary for the year to 30 September 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

Our Purposes, Objectives and Activities

Our purposes are to promote, maintain, improve, develop and advance public education by the encouragement of the arts. Arts include music, opera, dance, singing, dancing, literature and visual arts and in particular their promotion by holding of festivals of culture, ideas and creativity.

This year marks a change in the business of MIF as it grows in preparation to run The Factory, a new large scale arts centre in Manchester which is due to open in 2021. The Factory will be owned by Manchester City Council ('MCC' hereafter), who are responsible for its construction. The period October 2017 to September 2018 saw the start of significant transformation and growth for MIF as the organisation develops its core offer of a sustainable, biennial two-and-a-half-week Festival in 2019, whilst making preparations in parallel to open The Factory in 2021.

The organisation has five strategic aims. These are:

1. To continue to grow the international reputation of the Festival and the city – with artists, audiences, partners and media coverage from across the globe and from a wide variety of backgrounds – in turn driving reach for the Festival and attracting people to the city and the best staff to our team.
2. To bring the most extraordinary artists from around the world to Manchester to create diverse and inspiring new work – made in Manchester and shared worldwide.
3. To connect in new and ever deeper ways with the city and region of Manchester, increasing the range and diversity of those engaging with the Festival, with an ever more visible and transformative presence in the city.
4. To build the capacity and scale of MIF in readiness to open The Factory in 2021. This includes creative and commissioning partnerships, fundraising relationships with sponsors and individual donors, building audiences, commissioning and developing the organisation's governance and staffing.
5. To develop the brand, profile and awareness of MIF/The Factory locally, nationally and internationally in readiness for opening in 2021.

Additionally, MIF has set four strategic aims for The Factory to guide the development work over the next few years:

1. To develop the model for creating large-scale cross-platform work in partnership with regional, national and international creative teams and producers. This work will be developed with a focus on export as much as presentation.
2. To create a strong sense of ownership among the region's population through an exciting combination of challenging and accessible programming, an ambitious extension of MIF's community engagement strategies, and in-depth partnerships with a wide range of regional organisations.
3. To develop a game-changing skills and training programme around technical, backstage and organisational skills, contributing to job creation and supporting growth in the creative economy, reaching a wide-ranging demographic, and consolidating Manchester's position as a great place for companies to create ambitious art, media and entertainment projects.
4. To ensure that MIF and The Factory develop a rich, symbiotic relationship, focused on one shared vision.

Trustees' Annual Report Continued

In the opinion of the trustees these aims 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 Chapter 4 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission in respect of public benefit matters.

Achievements and performance

2017/2018 was a non-festival year.

Expansion of MIF's activities

Previously non-festival years have primarily involved two main strands of work: research, development, planning and fundraising by the core team for the Festival programme the following year; and international touring of premieres from the previous year's Festival to co-commissioners' festivals and venues. This year saw an expansion of MIF's activities, including:

- The planning of a series of pre-Factory Events for October and November 2018 to shine a spotlight on the types of activities that will be programmed in The Factory.
- The accelerated development of a year-round creative engagement programme to build partnerships and programmes with the communities of Manchester to influence and take part in MIF's work and develop emerging talent.
- The development of a consortium approach to skills and training across the city's creative and cultural sector, as this will be a hallmark activity for The Factory.

International Touring

2017/18 was a busy year for MIF's International Touring strand, with 12 world premieres from the 2017 Festival visiting co-commissioners' festivals and venues. Also, *Tree of Codes* which premiered originally in MIF 2015, continued to tour to festivals in Australia; whilst *Bjork Digital*, a managed tour, continued to tour globally.

MIF 2017 premieres

1. *Returning to Reims* (co-produced with The Schaubuhne, Berlin) was presented in Germany and the USA.
2. *10,000 Gestures* (co-produced with Musee de la Dance) was presented in France, Germany and Austria.
3. *Bambino* (co-commissioned with Scottish Opera) was presented in Scotland, France, and the USA.
4. *New Order + Liam Gillick: So it Goes* was presented in Italy and Austria.
5. *Fatherland* (co-commissioned with LIFT, the Royal Exchange Theatre and Frantic Assembly) was presented in London.
6. *Giselle* (co-commissioned with ENB) was presented in Hong Kong, New Zealand and Liverpool.
7. *What if Women Ruled the World* (co-commissioned with Aarhus and the Volksbuhne) was presented in Denmark and Germany.
8. *HOME 1947* (co-commissioned with the British Council and Superslowway) was presented in Pakistan.
9. *Party Skills for the End of the World* (co-commissioned with Shoreditch Town Hall) was presented in London.
10. *No End to Enderby* (co-produced with Suspect Culture and the Whitworth) was presented in Scotland.
11. *Ceremony* (co-commissioned with HOME) was presented in England and Northern Ireland.
12. *The Welcoming Party* (co-commissioned with the Ruhr Triennale, Theatre Rites and Z-Arts) was presented in Germany.

Trustees' Annual Report Continued

MIF 2015 premieres

- *Tree of Codes* (co-commissioned with Park Avenue Armory, European Capital of Culture Aarhus 2017, FAENA ART and Sadler's Wells) was presented at Melbourne and Sydney Festivals.

Managed Touring

- Bjork Digital continued to tour globally, visiting Poland.

Co-commissioning

Work to develop international partnerships with a view to co-commissioning for the 2019 and 2021 Festivals and The Factory was ramped up in 2017/18. Co-commissioning contributes a significant income stream to the business model for the Festival and is estimated to increase once MIF runs The Factory and creates work on a year-round basis.

Territories explored and partner possibilities include:

- North America – Park Avenue Armory, Spoleto Festival Charleston, Luminato, NYU Skirball.
- Europe – OGR Torino, Onassis Cultural Centre, Festival d'Avignon, Holland Festival, Salzburg Festival, Ruhrtriennale.
- Middle East – Abu Dhabi Music and Arts Festival, NYU Abu Dhabi.
- East Asia – New Vision Arts Festival (Hong Kong), Hong Kong Arts Festival, Singapore International Arts Festival, Shanghai Media Group.
- Australia – Perth Festival, Adelaide Festival, Brisbane Festival.
- UK – Royal Court, Young Vic, National Theatre of Scotland, Barbican.

MIF Creative Engagement Programme

Whilst continuing to be a globally significant international arts Festival, MIF17 was the most open and accessible edition to date attracting more diverse participants and audiences than ever before and welcoming close to 5,000 local residents to be an integral part of their city's Festival through volunteering, participation, skills & training and development activity.

In 2017/18 we have made even greater strides to broaden our reach:

- Organisationally we have established a new MIF Youth Forum of 20 young people from across Manchester; we have made 9 new board appointments including: our first young person's board member Amy Lawrence; British artist and local champion Lemn Sissay; and Wakelet Founder Jamil Khalil. All three are originally from the Manchester region and represent diverse communities.
- We have increased our Creative Engagement team from 5 to 7 and have added a new skills and training team to drive a new city-wide Consortium to revitalise the creative skills, training and employability agenda across the city.
- Internally we have seen a 40% increase in ethnic diversity and a four-fold increase in disability representation across the organisation, through making our jobs more accessible and higher profile across a more diverse range of communities.

Audience and Engagement programmes

Over the past year we have grown and extended our audience and engagement programmes to connect year-round with more diverse Manchester communities:

- We invited one of Belgium's leading children's theatre companies to perform to 557 people from Manchester schools and families at the Manchester Communications Academy in

Trustees' Annual Report Continued

Harpurhey; also delivering workshops and placements on the show to 158 young people from North Manchester schools.

- We have forged international connections between 117 young Mancunians and New York's The DREAM Ring via *BREATHE* – a street dance and spoken word activity in Hulme, with similar numbers to come in Harpurhey this November.
- We have co-presented a national conference in Manchester for 150 young creative leaders (including 10 young leaders from our city who attended for free and over 2,000 additional online viewers).
- We continue to work with refugee and asylum seeker groups, and Homeless groups, through our *ToGather* and *Manchester Street Poem* legacy work.
- We have supported residents from Hulme, Whalley Range, Crumpsall, Ancoats, Cheetham Hill, Moss Side, Ardwick, Beswick, Levenshulme, Wythenshawe, Old Trafford, Chorlton and Deansgate to plan their own micro-international Festival via our *Festival in My House* initiative including Grime artists from Hulme, the Ukrainian community in Wythenshawe, African and West Indian culture in Moss Side, Pakistani wedding culture in Crumpsall, slam poets in Old Trafford and Latin-American dancers in Cheetham Hill. FIMH is open to all: 14 people have hosted a Festival and together they have worked with over 50 local artists, performers and food providers as well as welcoming over 500 audience members.
- We have delivered a series of community socials to expand our reach. These have so far taken place in Moston Miners Club, Hulme Community Garden, The Wonder Inn, PLANT NOMA, Old Granada Studios and Leaf and been attended by close to 1,000 people drawn from communities across the city.
- We have held additional sessions to co-design our creative engagement programmes and developed a new pilot partnership with MCC Libraries to connect with new people via their local library spaces. As part of this work we have already employed over 20 local artists and connected with a wide range of local people with plans for significant expansion in the lead up to the Festival in July.

Organisational development

Other key activities over the past year to support organisational growth as MIF develops its capacity to run The Factory include:

- The appointment of Alex Byars as Chief Operating Officer to join the Executive Team in February 2018 with responsibility for business planning and the financial and administrative affairs of the company.
- Growth of the permanent core staff team from 26 to 48 people to develop functional capacity across key areas including human resources, IT, commissioning, technical, producing, marketing, communications and creative engagement.
- Further development of The Factory Business Plan.
- A training programme to develop the human resource management skills and knowledge for senior managers.

The Factory

MIF will be the operator of The Factory (MCC is the capital project lead and will own the building, which will be leased to MIF). MIF is therefore in the midst of a significant period of transition in order to build the capacity of the organisation to do this. Key developments in respect of The Factory in the 2017/18 financial year include:

- An additional £9m per annum funding was secured from Arts Council England ('ACE' hereafter) for four years 2018-2022, as part of the national NPO process. This funding was conditional on a Business Plan and other key documents being submitted in January 2018, as well as six-monthly updates on the Business Plan being provided to ACE, the first of which was provided in June 2018.

Trustees' Annual Report Continued

- Ongoing development of The Factory Business Plan, led by Alex Byars (the new Chief Operating Officer) working closely with Anthony Blackstock (Financial Consultant).
- Appointment of Jocelyne Underwood as Cultural Skills & Training Director, to develop the Skills and Training offer for The Factory. Recommendations for potential Training Academy models are being developed, informed by research into the skills requirements of cultural organisations in Greater Manchester and good practice. MIF ran an inaugural Creative Training Academy in December 2018 which was targeted towards unemployed Manchester residents. This was attended by 39 people, 7 of whom were then selected to commence traineeships across MIF from January 2019 for eight months. MIF continues to work collaboratively to develop a Cultural Sector Based Work Academy and is also leading a group of employers to develop a new apprenticeship standard for Creative Producers.
- Ongoing specialist support to support HR change.
- MIF hosted a series of Factory Consultation Events to run alongside the early stages of the construction process, where updates were provided to a wide range of stakeholders (including Artists, Arts Organisations, Media, Businesses and local residents) on the building, the artistic offer and the skills and training work.

Since the end of the 2017/18 financial year, there have been the following key developments:

- Two Pre-Factory Events were held in Autumn 2018 at Mayfield Depot in Manchester. The first, *Everything that happened and would happen*, was a world premiere created by German composer and director, Heiner Goebbels. The second, *Special Editions*, comprised 4 music events featuring three artists (*Bonobo*, *Bugzy Malone* and *Bicep*) which were co-produced with The Warehouse Project and supported curatorially by our Artistic Advisor, Mary-Anne Hobbs.
- A Project Assessment Review of The Factory occurred in November 2018, led by the Department for Digital, Culture, Media & Sport ('DCMS'), which resulted in an Amber/Green rating for The Factory Project (defined as 'successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery'). As well as reviewing the design and construction of the capital project, the review also covered overall project governance and MIF's preparations for operating The Factory.
- Manchester City Council provided £19m of additional funding towards The Factory capital project in December 2018, to meet an increase in budgeted costs.
- Construction work has commenced on site, including the main steelwork which started in Spring 2019.
- The estimated construction completion date for The Factory has been revised from spring 2020 to summer 2021.
- A Business Plan update was provided to ACE in December 2018.

Financial review

As MIF currently runs a biennial Festival, budgets are prepared over a two-year cycle and 2017/18 is the first year of the cycle for the 2019 Festival. The surplus for the year was £2,334,704, which resulted in Reserves increasing from £989,368 at the start of the year to £3,324,072 as at 30 September 2018. This increase in Reserves was expected as it is consistent with the pattern of first year results previously achieved in a two-year festival financial lifecycle.

MIF is working hard to secure income for the 2019 Festival and has been successful in attracting co-commissioning income for MIF19 despite the ongoing uncertainty around Brexit and competitive landscape for attracting arts funding across the world.

Trustees' Annual Report Continued

MIF is grateful for the continued support of all of its funders, and in particular, Arts Council England and Manchester City Council as long term revenue funding partners. In addition, from April 2018 MIF has secured a £9m annual grant from Central Government for four years, delivered via Arts Council England's National Portfolio organisation funding, in respect of the ongoing preparation for, development and operation of The Factory. Ongoing fundraising and business modelling is also underway to ensure supplementary income is secured for the delivery of a world class programme featuring extraordinary artists from around the world coming to Manchester to create a diverse range of inspiring new work.

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 organisation's Reserves Policy is currently being developed and updated as part of the ongoing business planning work as MIF transitions towards The Factory opening in 2021. The Board is undertaking a regular review process with an underlying risk identification approach, encompassing ongoing working capital requirements as well as capacity building for the increase in scale and complexity of future plans. The current free reserve is £1,530,391.

Going Concern

The charity's plans are set out below. The group manages its activities with positive unrestricted cash balances. The charity will heavily rely on future funding from Arts Council as it builds up its capacity in readiness to open The Factory in 2021. MIF received confirmation of NPO funding of £41m for four years from April 2018, subject to the submission of its Five Year Business Plan and other key documents to ACE for review in January 2018, with further updates in June and December 2018, all of which happened. MIF has also secured £2.5 million funding from Manchester City Council for the MIF19 two-year budget cycle. Having reviewed the future plans and the cashflow forecast up to March 2020 the trustees are of a view that the charity and the group are a going concern.

Plans for future periods

This is a time of unprecedented change for MIF as the organisation prepares to deliver the 2019 Festival and develops the capacity to run The Factory. Alongside, MIF is developing a new city-wide approach to developing skills for employment in the creative industries and continuing to develop its approach to community engagement and artist development through the next iteration of the My Festival programme.

The overall long-term ambition for MIF is to establish Manchester as a world centre for the creation of globally significant art: a place where the skills and structures exist to support artists in experimentation, collaboration, and ambition. Successful delivery of the next two years work, detailed in this plan, is vital to providing strong foundations from which this ambition can eventually be realised.

During the financial year 2018/19, MIF is:

- Delivering MIF19, the seventh edition of the biennial Festival of original, new work and special events, staged every two years in Manchester, UK. MIF19 runs from 4 – 21 July 2019.
- Developing and delivering an internationally significant programme of in-depth community engagement and artist development.
- Developing ever-wider international collaboration and co-producing networks, while continuing to plan and deliver a national and international touring programme.

Trustees' Annual Report Continued

- Preparing for the opening of The Factory – artistically through the pre-Factory Events in Autumn 2018 and as part of the Festival in 2019, organisationally, financially and by planning and implementing substantial programmes of partnership, skills and training and audience development.

The company's objectives have been amended for the period 2018-2022 to reflect priorities and the addition of The Factory and are now:

- To continue to grow the international reputation of the Festival and the city – with artists, audiences, partners and media coverage from all five continents and from a wide variety of backgrounds – in turn driving reach for the Festival, attracting people to the city and the best staff to our team.
- To bring the most extraordinary artists from around the world to Manchester to create diverse and inspiring new work – made in Manchester and shared across the globe.
- To connect in new and ever deeper ways with the city and region of Manchester, increasing the range and diversity of those engaging with the Festival, with an ever more visible and transformative presence in the city.
- To build the capacity and scale of MIF in readiness to open The Factory in 2021. This includes creative and commissioning partnerships, fundraising relationships with sponsors and individual donors, audiences, commissioning, and the organisation – governance and staffing.
- To develop the brand, profile and awareness of MIF/The Factory locally, nationally and internationally in readiness for opening in 2021.

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. Articles were amended last in September 2015. 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, 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

Trustees' Annual Report Continued

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 committee, which meets prior to each board meeting, and, from July 2014, a Development committee which meets at intervals as required. A CEO and Artistic Director is appointed to administer the day to day operations of MIF. To assist in the effective running of the charity, operational matters including finance, production and marketing, are delegated to the CEO and Artistic Director with the approval of the trustees.

Subsidiary

On 12 November 2014, a subsidiary MIF Productions was incorporated to deliver specific dramatic productions. The subsidiary is a private company with a £1 share issue and is wholly owned by MIF. The charity consolidates in its financial statements the results of MIF Productions.

Related parties

Information concerning the related parties is detailed in note 23 of the financial statements.

Risk management

Key areas of risk for the organisation include: meeting income targets and specifically box office, co-commissioning income, sponsorship and philanthropic donations; not exceeding expenditure estimates especially around larger more complex projects; reputational issues; the use of found venues including licensing issues and security; and the organisation's capacity to deliver its ongoing activities and prepare to run The Factory at the same time (which is being mitigated by an increase in staffing numbers to deliver both).

The broader economic uncertainties in respect of Brexit may increase the potential risk of currency fluctuations which could impact on co-commissioning income and touring activities, as well as increasing the risk of delays to the supply chain for importing or exporting goods and equipment relating to MIF productions.

The charity regularly reviews risk at the Finance and Audit committee meetings. Action is taken to mitigate and 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 committee reports these findings to the trustees.

Indemnity

During the financial year, a qualifying third party indemnity provision for the benefit of all trustees was in force.

Reference and administrative details

Charity name	Manchester International Festival
Charity number	1113902
Company number	05292793
Country of incorporation	England and Wales
Company registered address	Blackfriars House Parsonage Manchester M3 2JA
Legal form	Company limited by guarantee

Trustees' Annual Report Continued

Charity address	Blackfriars House Parsonage Manchester M3 2JA
Auditors	Grant Thornton UK LLP 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	The Co-operative Bank P O Box 250, Delf Hous, Southway Skelmersdale WN8 6WT
Solicitors	Eversheds Sutherland, 70 Great Bridgewater St Manchester M1 5ES

Directors and trustees of Manchester International Festival:

Thomas Bloxham MBE (Chairman)
Richard Paver (nominated by Manchester City Council)
Christopher Oglesby
Cllr Luthfur Rahman (nominated by Manchester City Council)
Kulwinder Thiarai
Jeremy Deller
Peter Salmon
Sir Howard Bernstein
Charles Bell
Cathryn Wright
Malcolm Press
Lemn Sissay
Jamil Khalil
Alan Bishop
Amy Lawrence
Maria Balshaw (appointed June 2018)

Company Secretary: Fiona Gasper

Key Management Personnel:

Senior Manager of Manchester International Festival

Chief Executive Officer and Artistic Director - John McGrath
Managing Director - Christine Cort
Creative Director - Mark Ball
Executive Director - Fiona Gasper
Chief Operating Officer – Alex Byars (appointed February 2018)

Directors of MIF Productions:

Thomas Bloxham MBE (Chairman)
Richard Paver
Fiona Gasper

Trustees' Annual Report (continued)

Trustees' Responsibilities

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) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

By order of the board of trustees



Richard Paver

Independent auditor's report

to the members and trustees of Manchester International Festival

Opinion

We have audited the financial statements of Manchester International Festival (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 September 2018 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the statement of cash flows and the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 30 September 2018 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent's 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 and Charities Act 2011.

Basis for opinion

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report (continued)

to the members and trustees of Manchester International Festival

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report set out on pages 2 to 11, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Annual Report.

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 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; 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.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Independent auditor's report (continued)

to the members and trustees of Manchester International Festival

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

Gillian Hopwood-Bell

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Manchester

Date: *18 April 2019*

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Group Statement of Financial Activities

(including income and expenditure account)

for the year ending 30 September 2018

		Unrestricted	Restricted	Year Ended 30 Sep 18	Year Ended 30 Sep 17
		£	£	£	£
	Note				
Income:					
Donations & Legacies	2	1,181,812	4,499,961	5,681,773	4,751,827
Charitable Activities	3	1,125,896	-	1,125,896	4,377,449
Other Trading Activities	4	189	-	189	59,171
Investments	5	7,920	-	7,920	4,734
Total income		2,315,817	4,499,961	6,815,778	9,193,181
Expenditure					
Cost of raising funds					
Costs of generating income from Sponsors & Donations	6	254,190	-	254,190	356,599
Expenditure on charitable activities					
Festival costs	7	1,276,329	1,795,817	3,072,146	8,999,044
Factory costs	7	-	1,154,738	1,154,738	356,966
Total expenditure		1,530,519	2,950,555	4,481,074	9,712,609
Net Movement in Funds	16	785,298	1,549,406	2,334,704	(519,428)
Total funds brought forward:					
At 1 October 2017		745,093	244,275	989,368	1,508,796
Total funds carried forward		1,530,391	1,793,681	3,324,072	989,368

Charity Statement of Financial Activities

(including income and expenditure account)

for the year ending 30 September 2018

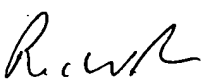
		Unrestricted	Restricted	Year Ended 30 Sep 18	Year Ended 30 Sep 17
		£	£	£	£
	Note				
Income:					
Donations & Legacies	2	1,181,812	4,499,961	5,681,773	4,751,827
Charitable Activities	3	1,125,896	-	1,125,896	4,377,449
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Total funds carried forward		1,530,391	1,793,681	3,324,072	989,368

Balance Sheet – Group and Charity

At 30 September 2018

	Note	Group 30 Sep 2018 £	Charity 30 Sep 2018 £	Group 30 Sep 2017 £	Charity 30 Sep 2017 £
Fixed assets					
Tangible assets	12	47,850	47,850	13,824	13,824
Investments	25	-	1	-	1
		<u>47,850</u>	<u>47,851</u>	<u>13,824</u>	<u>13,825</u>
Current assets					
Debtors	13	706,976	706,976	2,220,076	2,220,076
Cash and bank balances		<u>3,883,620</u>	<u>3,883,619</u>	<u>671,142</u>	<u>671,141</u>
		<u>4,590,596</u>	<u>4,590,595</u>	<u>2,891,218</u>	<u>2,891,217</u>
Creditors:					
Amounts falling due within one year	14	(1,314,374)	(1,314,374)	(1,915,674)	(1,915,674)
Net current assets		3,276,222	3,276,221	975,544	975,543
Net assets		<u>3,324,072</u>	<u>3,324,072</u>	<u>989,368</u>	<u>989,368</u>
Funds					
Unrestricted Funds - General	16	1,530,391	1,530,391	745,093	745,093
Restricted Funds	16	1,793,681	1,793,681	244,275	244,275
		<u>3,324,072</u>	<u>3,324,072</u>	<u>989,368</u>	<u>989,368</u>

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


 Richard Paver
 Date: 17/4/2019

Statement of Cash Flows and Group Statement of Cash Flows for year ended 30 September 2018

At 30 September 2018

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Cash inflow from operating activities				
Surplus/(deficit) for the year	2,334,704	2,334,704	(519,428)	(519,428)
Adjustment for non-cash items				
Depreciation	24,947	24,947	13,208	13,208
Decrease/(Increase) in debtors	1,513,100	1,513,100	(1,646,782)	(1,646,782)
(Decrease)/Increase in trade and other creditors	(346,492)	(346,492)	903,541	903,541
(Decrease)/Increase in accruals and prepayments	(254,808)	(254,808)	289,752	289,752
Adjustment for investing or financing activities				
Interest receivable	(7,920)	(7,920)	(4,734)	(4,734)
Net cash flow from operating activities	<u>3,263,531</u>	<u>3,263,531</u>	<u>(964,443)</u>	<u>(964,443)</u>
Cash flow from investing activities				
Investment income	7,920	7,920	4,734	4,734
Payments made to acquire fixed assets	(58,973)	(58,973)	(20,054)	(20,054)
	<u>(51,053)</u>	<u>(51,053)</u>	<u>(15,320)</u>	<u>(15,320)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalent in the year	<u>3,212,478</u>	<u>3,212,478</u>	<u>(979,763)</u>	<u>(979,763)</u>
Cash and cash equivalents at beginning of the year	<u>671,142</u>	<u>671,141</u>	<u>1,650,905</u>	<u>1,650,904</u>
Cash and cash equivalents at end of the year	<u>3,883,620</u>	<u>3,883,619</u>	<u>671,142</u>	<u>671,141</u>

Notes to the financial statements

at 30 September 2018

Manchester International Festival is a company (company registration number: 05292793) limited by guarantee and incorporated in England. It is also a charity (charity registration number: 1113902) registered at the address Blackfriars House, Parsonage, Manchester, M3 2JA.

1. Accounting policies

Basis of preparation

The group financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS102) 2015) and with Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011 and the Companies Act 2006.

Manchester International Festival meets the definition of a public entity under FRS102. Assets and liabilities are initially recognised at historical costs or transaction value unless otherwise stated in the relevant accounting policy note.

Preparation of the accounts on a going concern basis

The group's activities and future plans are set out in the Trustees' Annual Report. The trustees are satisfied that having considered the future plans and all identified risks, and reviewed a cashflow forecast for a period not shorter than 12 months from the date of signing these financial statements the business is a going concern, and these financial statements have been prepared on that basis.

Group financial statements

These financial statements consolidate the results of the charity Manchester International Festival (MIF) and its wholly owned subsidiary, MIF Productions on a line by line basis.

The accounting period for MIF Productions is co-terminus with that of the charity. The charity's statement of financial activities for the year is also provided.

Funds

Unrestricted funds comprise accumulated surpluses and deficits on general funds and are available for use at the discretion of the 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.

Income recognition policy

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the items of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Income received in respect of memberships is recognised in the year when the members receive the benefits.

Donated services and facilities

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item has been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be

Notes to the financial statements (continued)

at 30 September 2018

measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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

Pension costs

The charity operates a defined contribution scheme. The assets of this scheme are held separately from those of the charity, being invested by 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.

Taxation

Manchester International Festival is considered to pass the test set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and, therefore, it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the financial statements (continued)

at 30 September 2018

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 in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences are recognised in the Statement of Financial Activities.

Notes to the financial statements (continued)

at 30 September 2018

2 Donations & Legacies

	Unrestricted	Restricted	30-Sep-18	30-Sep-17
	£	£	£	£
Manchester City Council	1,000,000	-	1,000,000	1,717,500
Manchester City Council - project grant		29,685	29,685	252,000
Arts Council England	91,499	4,305,000	4,396,499	927,201
Arts Council England project grants	-	56,793	56,793	1,107,207
Association of Greater Manchester Authorities	55,000	-	55,000	125,000
14-18 NOW		-	0	50,000
Stavros Niarchos Foundation	-	(30,000)	(30,000)	-
The Esmee Fairbairn Foundation	-	82,483	82,483	87,623
The Paul Hamlyn Foundation	-	50,000	50,000	150,000
The Baring Foundation	-	-	-	20,000
Jerwood Charitable Foundation	-	-	-	30,250
The Oglesby Charitable Trust	-	-	-	25,000
The Foyle Foundation	-	-	-	25,000
The Bloxham Charitable Trust	-	-	-	10,000
Other Trusts & Foundations	-	6,000	6,000	13,000
Individual Donations	35,313	-	35,313	212,046
	<u>1,181,812</u>	<u>4,499,961</u>	<u>5,681,773</u>	<u>4,751,827</u>

3 Income from Charitable Activities

	Unrestricted	Unrestricted
	30-Sep-18	30-Sep-17
	£	£
Support from Sponsors	254,886	1,696,954
Contractual income from Local Authorities	50,203	194,399
Box Office (Admission charges)	235	861,974
Income from co-production & co-commissioning activities	7,000	983,638
Income from touring activities	804,477	516,365
Membership, Sale of Programmes and	9,095	124,119
	<u>1,125,896</u>	<u>4,377,449</u>

4 Income from other trading activities

	30-Sep-18	30-Sep-17
	£	£
Food & drink, merchandise & miscellaneous	<u>189</u>	<u>59,171</u>

5 Income from investments

	30-Sep-18	30-Sep-17
	£	£
Interest receivable	<u>7,920</u>	<u>4,734</u>

Notes to the financial statements (continued)

at 30 September 2018

6 Costs of generating income from sponsors & donations

	30-Sep-18	30-Sep-17
	£	£
Wages and salaries	189,562	273,806
Direct costs	21,129	63,512
Support costs (Note 8)	43,499	19,281
	<u>254,190</u>	<u>356,599</u>

7 Analysis of charitable expenditure

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

Festival activities

	Other Direct Costs £	Wages and Salaries £	30-Sep-18 £	30-Sep-17 £
General Festival Costs	15,140	248,191	263,331	956,178
R&D	82,145	53,335	135,480	145,374
Festival Producing Costs	1,000,633	720,895	1,721,528	5,877,971
Creative Engagement	56,019	142,912	198,931	216,206
Volunteers	3,432	-	3,432	62,891
Branding, Communications & Marketing	89,100	172,277	261,377	1,285,907
Governance costs	9,981	74,241	84,222	86,790
Support costs (note 8)	403,845	-	403,845	367,726
	<u>1,660,295</u>	<u>1,411,851</u>	<u>3,072,146</u>	<u>8,999,044</u>

The Factory activities

	Other Direct Costs £	Wages and Salaries £	30-Sep-18 £	30-Sep-17 £
General Factory Costs	83,072	233,280	316,352	356,966
R&D	53,939	124,506	178,445	-
Pre-Factory events	222,466	136,960	359,426	-
Creative Engagement	-	22,942	22,942	-
Skills & Training	48	16,978	17,026	-
Branding, Communications & Marketing	127,942	80,302	208,244	-
Support costs (note 8)	52,303	-	52,303	-
	<u>539,770</u>	<u>614,968</u>	<u>1,154,738</u>	<u>356,966</u>

Notes to the financial statements (continued)

at 30 September 2018

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.

	Generating Income	Governance	Charitable Activities Festival The Factory	30-Sep-18	30-Sep-17
	£	£	£	£	£
Wages and salaries	-	74,241	-	74,241	69,108
Professional fees and charges	273	7,135	3,601	11,418	70,421
Other staff costs	8,636	2,846	140,823	152,315	72,063
Depreciation	2,495	-	18,711	24,948	13,208
Running expenses	12,628	-	94,707	126,276	133,678
Premises costs	19,467	-	146,003	194,671	115,319
	43,499	84,222	403,845	583,869	473,797

Professional fees and charges, other staff costs and depreciation are directly attributed to activities in respect of which they were incurred.

Running expenses are apportioned to activities according to estimated usage.

9 Movement in total funds for the period

Net movements in funds are stated after charging:

	30-Sep-18	30-Sep-17
	£	£
Auditors' remuneration:		
Audit services	6,180	14,420
Non-audit services	-	9,625
Operating lease rentals	193,955	110,338
Depreciation	24,947	13,208
Foreign exchange loss	2,225	1,865

10 Analysis of staff costs

	30-Sep-18	30-Sep-17
	£	£
Wages and salaries	1,939,634	1,823,239
Social security costs	210,289	192,645
Pension costs	66,457	49,609
	2,216,380	2,065,493

Notes to the financial statements (continued)

at 30 September 2018

Number of employees:

The average monthly head count was 47.58

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

	30-Sep-18 No.	30-Sep-17 No.
Festival & The Factory	37	40
Fundraising	3	5
Governance	1	1
	<u>41</u>	<u>46</u>

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

	30-Sep-18 No.	30-Sep-17 No.
£ 60,001 - £ 70,000	2	1
£ 80,001 - £ 90,000	1	2
£ 90,001 - £100,000	1	-
£100,001 - £110,000	1	-
£110,001 - £120,000	1	2
£120,001 - £130,000	1	-
	<u>7</u>	<u>5</u>

Total pension paid for in respect of the higher paid employees was	30,401	21,051
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11 Board's remuneration and expenses, and the costs of key management personnel.

None of the board members received remuneration for their services during the year. Five board members received re-imbursed travel expenses of £40.60; £86.90; £156.65; £217.70 and £617.65.

The key management of the parent charity, Manchester International Festival, comprise the trustees, Executive Director, Creative Director, Chief Operating Officer, Chief Executive Officer/ Artistic Director and Managing Director. The total employee benefits of the key management personnel were £538,228 (2017: £397,686).

The key management personnel of the group are the same as of the charity as the wholly owned subsidiary does not employ any personnel. The employee benefits of key management personnel for the group are therefore the same as for the charity.

Notes to the financial statements (continued)

at 30 September 2018

12 Tangible Fixed Assets - Group and Charity

	Equipment	Fixtures & Fittings	Total
	£	£	£
Cost:			
At 1 October 2017	170,982	17,037	188,019
Additions	55,132	3,841	58,973
Disposals	(14,000)	-	(14,000)
At 30 September 2018	212,114	20,878	232,992
Depreciation:			
At 1 October 2017	157,158	17,037	174,195
Disposals	(14,000)	-	(14,000)
Charge for the year	24,127	820	24,947
At 30 September 2018	167,285	17,857	185,142
Net book value:			
At 30 September 2018	44,829	3,021	47,850
At 30 September 2017	13,824	-	13,824

13. Debtors

	Group 30-Sep-18 £	Charity 30-Sep-18 £	Group 30-Sep-17 £	Charity 30-Sep-17 £
Trade debtors	377,514	377,514	1,135,232	1,450,275
Other debtors	8,679	8,679	326,279	11,236
Prepayments	74,989	74,989	35,967	35,967
Accrued income	101,465	101,465	431,885	431,885
VAT	144,329	144,329	290,713	290,713
	706,976	706,976	2,220,076	2,220,076

14 Creditors: amounts falling due within one year

	Group 30-Sep-18 £	Charity 30-Sep-18 £	Group 30-Sep-17 £	Charity 30-Sep-17 £
Trade creditors	553,833	553,833	907,481	907,481
Other creditors	15,100	15,100	7,944	7,944
Accruals	291,982	291,982	548,489	548,489
Deferred income	453,459	453,459	451,760	451,760
	1,314,374	1,314,374	1,915,674	1,915,674

Notes to the financial statements (continued)

at 30 September 2018

15 Deferred income - Group and Charity

Deferred income:

	Group £	Charity £
At 1 October 2017	451,760	451,760
Amount released in the year	(329,400)	(329,400)
Amount deferred in the period	331,099	331,099
At 30 September 2018	<u>453,459</u>	<u>453,459</u>

The funds are deferred when the charity or its subsidiary receives funds but does not yet have entitlement to them or there are performance conditions attached to the items of income which have not yet been met or are not fully within the control of the charity or its subsidiary.

16 Analysis of charitable funds - Group and Charity

Movement in Funds

	Balance at 01-Oct-17 £	Net incoming resources £	Net outgoing resources £	Balance at 30-Sep-18 £
Analysis of unrestricted fund movements:				
General Fund	745,093	2,315,817	(1,530,519)	1,530,391
Analysis of restricted fund movements:				
Restricted Fund	244,275	4,499,961	(2,950,555)	1,793,681
	<u>989,368</u>	<u>6,815,778</u>	<u>(4,481,074)</u>	<u>3,324,072</u>

17 Outline summary of restricted fund movements - Group and Charity

Fund Name	Fund Balances 01-Oct-17 £	Income £	Expenditure £	Fund Balances 30-Sep-18 £
Arts Council - Ambition for Excellence	-	56,793	35,580	21,213
Arts Council - The Factory grant	98,445	4,305,000	2,726,884	1,676,561
Manchester City Council - The Factory	10,509	29,685	40,194	-
Esmee Fairbairn Foundation	21,214	82,483	72,284	31,413
Paul Hamlyn Foundation	28,330	50,000	13,836	64,494
Stavros Niarchos Foundation	60,000	(30,000)	30,000	-
The Baring Foundation	8,277	-	8,277	-
The Oglesby Charitable Trust	7,500	-	7,500	-
Other Restricted Funds	10,000	6,000	16,000	-
	<u>244,275</u>	<u>4,499,961</u>	<u>2,950,555</u>	<u>1,793,681</u>

Notes to the financial statements (continued)

at 30 September 2018

Name of restricted fund	Description, nature and purpose of the fund
Arts Council - Ambition for Excellence	Support for the development of major commissions in the public realm, a digital skills programme including the C50 and Jerwood talent development programmes and development of My Festival activity.
Arts Council - The Factory grant	NPO Funding for delivery of Factory's Business Plan, including the MIF19 Festival activities.
Manchester City Council - The Factory development	A match funding for the Arts Council Factory grant. Funding for MIF's transition to The Factory, including development of business plan and delivery of pre-Factory events.
Esmee Fairbairn Foundation	To deliver My Festival programme of work.
Paul Hamlyn Foundation	To deliver My Festival Welcomes, My Festival Community, My Channels and Festival in My House programme.
Stavros Niarchos Foundation	Development and delivery of international programme of work.
The Baring Foundation	R&D and delivery of My Festival Community and Festival in My House.
The Oglesby Charitable Trust	To deliver ToGather participatory programme and its legacy.
Other Restricted Funds	Contributions to the development and delivery of learning programmes, participatory work and employee development.

18 Analysis of net assets between funds - Group

	General Fund	Restricted Fund	Total Funds
	£	£	£
Fixed Assets	47,850	-	47,850
Current assets	2,796,915	1,793,681	4,590,596
Current liabilities	(1,314,374)	-	(1,314,374)
	<u>1,530,391</u>	<u>1,793,681</u>	<u>3,324,072</u>

19 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 members of the charitable company or one year thereafter as stated in the Memorandum of Association.

The wholly owned subsidiary MIF Productions is limited by shares. Its share capital is £1.

Notes to the financial statements (continued)

at 30 September 2018

20 Taxation

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

21 Operating lease commitments

	Land & Buildings 30 Sep 18 £	Office Equipment 30 Sep 18 £	Land & Buildings 30 Sep 17 £	Office Equipment 30 Sep 17 £
Total of non-cancellable operating leases payments for the following periods:				
not later than one year	209,504	2,412	151,844	2,016
later than one year and not later than five years	36,336	1,206	304,780	3,024
later than five years	-	-	-	-

22 Pension arrangements

MIF participated in a scheme provided by Scottish Widows. Due to the nature of the Plan, the accounting charge for the period under FRS102 represents the employer contributions payable. For the year, the pension contributions charged to the accounts totalled £ 66,457 (£49,609 for the year ended 30 Sep 2017). Pension contributions of £14,400 were still due to Scottish Widows at 30 September 2018 (2017: £7,860).

Notes to the financial statements (continued)

at 30 September 2018

23 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.

MIF also receives grant funding from Arts Council England (ACE), the grant for the year is disclosed in note 2.

MIF receives further grant funding from Greater Manchester Combined Authority (GMCA), which is disclosed in note 2.

During the year, the charity was provided with rent-free offices (valued at £175,106) by Bruntwood Limited.

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 which trustees have connections with but the amounts are not material and arise in the normal course of business.

MIF Productions has two common board members/directors with MIF. At the balance sheet date, there was NIL (2017: £315,043) due to MIF from MIF Productions, as MIF Productions was not trading during the year.

24 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 (2017: NIL).

25 Investments

On 12 November 2014 the entire share capital of MIF Productions was acquired for £1 being one ordinary share of £1 each, representing all voting rights. The company was incorporated in England on 12 November 2014 and is a private limited company (Registration number: 09308388, registered address: Blackfriars House, Parsonage, Manchester, M3 2JA). The company delivers production, running and closure of productions presented at the MIF Festivals. The turnover in 2017/18 was NIL (2017: £1,900,377), as the company was not trading during the year. Net assets were £1 in 2017/18 (2017: £1).