

MANCHESTER INTERNATIONAL FESTIVAL

England & Wales · Charity number 1113902

Details

Other names	MIF
Status	Registered
Legal form	Charitable company
Company number	05292793
Registered	2006-04-26
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO PROMOTE, MAINTAIN, IMPROVE, DEVELOP AND ADVANCE PUBLIC EDUCATION BY THE ENCOURAGEMENT OF THE ARTS INCLUDING (BUT NOT LIMITED TO) MUSIC, OPERA, DANCE, SINGING, DANCING, LITERATURE AND THE VISUAL ARTS AND IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING) THE HOLDING OF FESTIVALS OF CULTURE, IDEAS AND CREATIVITY

Activities: Organising and staging a biennial arts festival of performances, exhibitions and special events, commissioning new work for the public benefit. Organising and staging performances between Festivals. Touring selected commissions to venues and arts festivals in the UK and the rest of the world. In 2023 we transitioned to our permanent venue in Manchester -Aviva Studios,home of Factory International.

Classification

- **How:** Provides Services
- **What:** Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NATIONAL
- Bolton
- Bury
- Manchester City
- Oldham
- Rochdale
- Salford City
- Stockport
- Tameside
- Trafford
- Wigan

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£24,235,682	£25,757,736	£13,232,391	210
2024-03-31	£28,253,414	£30,957,443	£13,646,243	221
2023-03-31	£13,900,811	£12,035,390	£13,782,101	121
2022-03-31	£20,201,358	£18,843,747	£11,675,037	110
2020-09-30	£12,801,680	£6,642,439	£10,189,387	81

Trustees

Name	Role	Appointed
Moira Sinclair	Chair	2024-03-01
Candice Marie Hull		2025-03-03
Charles Richard Bell		2017-10-01
Dabboussy Lamia		2022-03-02
Fazeel Barber		2022-03-02
Garry Bridges		2024-05-28
Joanne Louise Whitfield CBE		2020-04-22
John Bernard Dunleavy		2025-03-03
Joshua Jack Wilkinson		2025-03-03
Laura Jordan Bambach		2022-03-02
Leila Louisa Anne Alexander		2025-03-03
Lemn Sissay OBE FRSL		2025-03-03
Molly Jackson		2025-12-10
Ngozi Ugochukwu		2020-04-22
Nihal Senaka Arthanayake		2025-03-03
PATRICIA BARTOLI		2022-03-02
Shaminder Nahal		2021-04-28
Sharon Watson		2022-09-21
THOM HETHERINGTON		2025-03-03
Zoe Watters		2025-12-10

MANCHESTER INTERNATIONAL FESTIVAL

England & Wales - Charity number 1113902

Accounts

factory
international

TRUSTEE REPORT AND FINANCIAL STATEMENTS

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TRUSTEES' ANNUAL REPORT

The Trustees are pleased to present their annual report for the year ended 31 March 2025. This report has been prepared to meet the requirements of a directors' report under the Companies Act 2006 and includes the strategic report and the audited consolidated financial statements of the charity and its trading subsidiaries.

The consolidated financial statements have been prepared in accordance with applicable accounting standards and the requirements of the Companies Act 2006 and provide a true and fair view of the financial position and performance of the group for the year.

Manchester International Festival (MIF) (trading as Factory International (FI)) is a charity registered with the Charity Commission under registration number 1113902. Its purposes are to promote, maintain, improve, develop, and advance public education by the encouragement of the arts. Factory International is the trading name under which the charity delivers its activities within the venue AVIVA Studios and the biennial event Manchester International Festival, in addition to other activities as noted below.

Arts include music, opera, dance, singing, literature, and visual arts, and their promotion through the holding of festivals of culture, ideas, and creativity.

Factory Academy Limited, registered under company number 12978506, is our programme for delivering training for individuals looking to succeed within the creative and cultural industries, with the aim of diversifying the workforce in these sectors.

MIF Productions Limited, registered under company number 09308388, undertakes contracts for delivery of dramatic productions, orchestral performances, and art exhibitions. The company ceased trading on 1 April 2025 and is not expected to recommence trading. This does not affect the Group's assessment of going concern.

Factory International Trading Services Limited (FITS) is registered under company number 14556931. The principal activities of this subsidiary are brand partnerships and corporate sponsorships including the naming rights of the venue, hire of the venue for third party commercial and music events, sale of merchandise through the Factory International shop and commission received through food and beverage sales.

CHAIR'S STATEMENT

Realising ambitions

Ambition is a word that can sometimes be used without fully grounding it in both its context and focus. It's a powerful word, and speaks of a desire to improve, to grow and to be part of a community with aspiration and drive. Factory International has its very foundations in ambition. As we move from a capital and building focused project, we enter into a period where we are surrounded by people, and our ambition for those people is rooted in this report.

We are ambitious for our teams, for all our staff, for our audiences and our local, national and regional communities. We are ambitious for our artists and creatives. We are ambitious for our funders and partners. We want to be a beacon and a lightning rod for that ambition, driving us all forward.

This has been a monumental year, our first full year of delivery. Sadly, Sir Howard Bernstein, who had done so much to help get us to this point, was not able to see the fruits of his work: we can only hope he and all my fellow trustees, past and present, would be proud of what we have achieved. There have been moments of awe and wonder, of contemplation and reflection, of joy and excitement, purpose and determination.

Our commissioned work has pushed artistic boundaries, cementing this as a place where artists can allow their creative minds to roam free. The technical and production expertise within our teams empowers those creative visions to become a reality. It means that our audiences have been able to see some incredible moments. This is the place they can come to be inspired.

The work within our local community, breaking down barriers, learning what people want from us and how they want to work with us in our new iteration, and ensuring this is a place for all, is what makes us truly accessible and inclusive.

Building a resilient business is key to realising our ambitions, and this values-led approach is what allows our sponsors, funders and partners, across the public and private sector, to see us as a brand to align with. Our team is taking this work to international audiences too, spreading the name of Factory International, of this radical ambition for cultural expression, into every corner of the globe.

We are a music venue, an arts venue, a commissioning venue, a performance venue, a technical venue, a place for people and space, a place for pizza and a quick catch up on the way home. We are offline and online, as committed to artistic innovation as we are to social impact.

None of this would have been possible without the support of our extraordinary staff and of the artists and freelancers who have worked with us. On behalf of the Board, I would like to thank everyone for their belief in this work.

Together, we can be ambitious for the future.

Moirá Sinclair OBE
Chair, Factory International

OUR VISION AND MISSION STATEMENT

As an arts organisation we have a simple but ambitious vision:

To Invent Tomorrow Together.

Our vision speaks directly to our mission:

Through art, music and culture, and in digital and physical spaces, we focus our activities on creating the meeting points between imagined futures and real lives.

STRATEGIC AIMS

The work we do everyday is driven by three objectives;

- **Invent** - To develop new models for thinking about, bringing to life and distributing creative work through digital experimentation, commercial partnerships, social enterprise, and international collaborations
- **Tomorrow** - To create new possibilities for employment, training, and learning, with a focus on equity for those currently under-represented in our sectors.
- **Together** - To establish Aviva Studios as a sustainable, open and far-reaching space for creative exploration and production, loved locally, and celebrated internationally.

These are embedded across our 2021-2026 business plan.

Work began in late 2024 to develop Factory International's next strategic plan, which will run from April 2026-March 2031. The initial scoping work and the development of the methodology, which will shape that plan, began in December 2024. From early 2025 we began extensive consultation with those inside, and outside, the organisation including all of our stakeholders, creative collaborators, staff, Board and Factory International's People's Forum.

ACTIVITIES

“Ambitious. Awesome. For All”.

The 2024-25 **Artistic Programme** saw our first full year-round programme of commissioned and presented work at Aviva Studios, including world premieres of ten new commissions and a major immersive digital experience for Christmas.

We launched a new **Programme Pathway**, a structured approach to both process and delivery. This Pathway begins at artistic and programme decision making, creating a clear and trackable route as an idea travels from inception, through delivery and to evaluation.

Embedding our place within the community, the **Public Realm Programme** delivers inclusive, free events at Aviva Studios, fostering community collaboration, participation, and cultural exchange. Spanning performances, workshops, mini festivals, talks and more, the 2024-25 programme attracted a huge number of new audiences across 244 events in its first year, exceeding diversity targets and supporting Greater Manchester’s grassroots creativity.

From our home in Manchester, we extend our reach across the globe, working with **International Partners** who continue to support the creation of new commissions, showcasing our work and extending its life in new markets. In 2024-25 we secured £482,863 in international co-commissioning income and £296,098 in international touring and training income; there were 30 presentations of work commissioned or co-commissioned by Factory International.

A holistic strategy embeds **Accessibility** as a core principle of the organisation. Championed at Factory International by an Access Manager, it is a thread nourished and authenticated by every aspect of our work and is central to our organisation’s vision to Invent, Tomorrow, Together.

The **People and Culture** team champions an inclusive, values-led workplace by fostering belonging and supporting wellbeing. We drive positive change by embedding equity in all we do – through fair policies, staff development and collaborative leadership. We aim to ensure every individual is recognised, supported, and empowered to thrive across our organisation and creative community.

The **Brand Partnerships and Corporate Sponsorships** team create, sell and deliver ambitious and groundbreaking values-led partnerships, funded by, and in collaboration with, global brands and local sponsors. This includes delivery of the flagship Principal Partnership with Aviva.

Factory Academy continues to develop programmes which create opportunities for the widest possible range of people, and particularly those from diverse and working-class backgrounds who have historically been excluded from the industry – overall, 85% of participants were from diverse backgrounds between Oct 2020 to Jul 2025.

Within our first full year, the **Commercial Events** team has been developing our network and building brand awareness and reputation. Within this phase, the team secured 21 events, through agencies and direct corporate bookers to deliver an ambitious hires programme featuring award ceremonies, brand activations and launches to film festivals.

The **Capital Build and Transition Project** moved into the final stages. Focus moved to a handful of additional works, high impact defects and final building systems being fully commissioned, witnessed and handed over, prior to the lease being signed. Meanwhile, Factory International have delivered a

number of Fit Out projects and managed procurement of final fixtures, fittings & equipment throughout 2024-25.

In our first full year in the venue our **Music** programme delivered 54 events including 16 own produced events. We worked with a new Head of Music and have been working across the organisation to become the UK's best live music venue.

The **Digital** programme has included large scale immersive experiences from the UK's most innovative creative studios, Marshmallow Laser Feast and Lightroom, digital R&D for a new opera and a new broadcast partnership with Aviva and Amazon City Sessions.

Philanthropic Fundraising during the year demonstrated resilience despite challenging economic conditions. Opportunities for driving artistic innovation and social impact continued to grow, enabling the team to renew relationships, elevate delivery and work towards providing greater financial stability from multi-year funding partnerships.

The **Retail and Hospitality** team manages all in-house retail, including bespoke show merchandise and gig concessions. Successful ventures, like the David Hockney exhibition, boosted both retail and hospitality income, with pre-ordered sales exceeding £20k for the event alone, highlighting new revenue streams. Large scale music gigs and club nights in the Warehouse demonstrated the potential to maximise F&B sales through in-room bars and accessible pricing.

Artistic Programme

This marked the first full year of our artistic programme at Aviva Studios and we delivered a bold, ambitious series of world premieres and northern premieres alongside urgent and critically acclaimed productions.

During 2024-25 we presented ten world premieres of works commissioned by Factory International. Each allowed an artist to explore and present their story through creative means, spanning scalers, artforms and international borders.

- David Hoyle – *Please Feel Free To Ignore My Work*
- Keith Khan – *The Accountants*
- Sarah Frankcom, Maxine Peake, Imogen Knight – *Robin/Red/Breast*
- Huang Ruo – *City of Floating Sounds*
- WOW Manchester
- Darren Pritchard and Rikki Beadle-Blair – *House of Manchester*
- Marshmallow Laser Feast – *Sweet Dreams*
- Linda Brogan – *In The Ruins of the Big House*
- Laurie Anderson – *ARK*
- Complicite and Nederlands Dance Theater – *Figures in Extinction*

In addition, we presented northern premieres of further key works: the Factory International-commissioned Olivier award-winning *Traplord* by Ivan Blackstock and *Cycles* by Boy Blue; alongside one-off performances of *All of this Unreal Time* and *Blue Now*.

Our multi-year collaboration with Lightroom began; an explosion of colour and immersive experience with the digital production of David Hockney's *Bigger and Closer (not smaller and further away)* in Winter 2024. The work wowed audiences, with 72,743 tickets sold.

Other notable artistic moments included our latest co-curation project *Those Who Hold Up The Sky* created with the Fusion Factory group; three Artist Takeovers, allowing Manchester based artists to experiment with scale in our unique spaces; and the creation of the *Artists in Time of Upheaval* talk series to allow for urgent, responsive conversations about the world.

With a strong, positive press reaction alongside critical reviews, an enthusiastic and passionate reception from local, regional and national audiences, we have built on our early successes of 2023/24. AVIVA Studios is becoming a major culture venue in Manchester, a national and international home for ambitious new work.

Work has already begun on our 2025/26 artistic programme. This includes Royal Shakespeare Company co-production *Hamlet Hail to the Thief*; Marina Abramović's large scale *Balkan Erotic Epic*; the return of Lightroom with a three-show repertory season; the presentation of Circa's *Shaun the Sheep's Circus Show*; and the wide-reaching festival programme for Manchester International Festival 2025 (MIF25), where we step outside of the venue to present a programme of diverse new work in venues and found spaces across the city.

Producing, Production Technical

It is the ambition of the Producing and Programme department to be the delivery engine for everything Aviva Studios does.

The department is now delivering all the venue's music, commercial events, public programmes, international touring, partnership activations and digital commissions. With new senior and developmental roles in Event Management we are increasing capacity to generate new income for the organisation, alongside our historic work with the subsidised artistic programme.

Within our production portfolio, several titles gave the opportunity for the Technical team to stretch whilst supporting the artist's vision; notably the sound immersive orchestra for *City of Floating Sounds*, video and show control for *Sweet Dreams* and the automation for *Figures in Extinction* and *House of Manchester*.

We continue to expand, and meet the demand, for live stream and broadcast, working with both Amazon Prime and Channel Four on capture and transmission. This involved bringing in full production for a 13 camera, six house, live stream for e-sports. The technical team's capacity for commercial secondary spend is firmly established and is becoming a growth area for the wider business.

It is at the core of our mission to develop the next generation of talent, whether that is new people joining the technical team, or professional development for those working mid-career. Our in-house Technical Trainer has launched Event Ready, a course designed to find and develop new entrants from underrepresented backgrounds.

Alongside our commercial partners we are bringing Continued Professional Development training to both core and freelance technicians. The first of these saw Ambisphere bring lighting desk training to Manchester, and there's more to come in 2025-26. Recognition, and raising the profile of the venue, is a key part of the talent development pipeline and we're proud that lighting technician, Akshay Khubchandani won the Production Futures, Breakthrough Talent Award 2024.

Digital

Bringing the work we present in Manchester to screens across the globe.

This year we partnered with Amazon City Sessions and Aviva to run three broadcasts with the artists Bastille, Ella Henderson and Franz Ferdinand, which collectively reached an audience of over 1 million viewers. The first stream by Bastille attracted 300,000 live viewers, with about 11 million impressions across the two-week campaign leading up to it. The broadcasts were streamed via Amazon Prime and Twitch. You can still watch selected sets on YouTube.

Alongside the broadcasts, we continue to develop Factory Sessions, celebrating and capturing signature tracks from key music artists performing at AVIVA Studios, from Angelique Kidjo to Johnny Marr. The performances have received over 50,000 views.

Digital Innovation and R&D

Our Digital Innovation is powering new ways of creative expression, exploring the latest tools for artistry.

One standout example was *Sweet Dreams*, a new work by the artist collective Marshmallow Laser Feast. This immersive multimedia show invited audiences to explore their place in the food chain through the eyes of a food mascot. The piece combined traditional hand-drawn 2D animation, digital puppetry, CGI, and AI-generated environments, offering a powerful commentary on how image-making is evolving today.

Danielle Brathwaite-Shirley's video game *I Can't Follow You Anymore* continued to tour and was presented by LAS in Berlin.

Our R&D had a strong focus on metaverse spaces, including the AHRC-funded Turandot Kiss in collaboration with composer Huang Ruo.

These workshops involved contributions from key industry specialists and tech studios such as Dimension and Random International.

Music

This was a year of firsts. In a vibrant music city like Manchester we have secured a platform for multiple genres, passionate audiences and ground-breaking ambition.

This was our first full year in the venue, and in that time we have delivered 54 music events, including 16 own produced events.

World premieres included Mercury-nominated Go Go Penguin, composer Anna Clyne creating a new piece for the first in our BBC Philharmonic Sessions series – which saw audiences get up close and personal to a full symphony orchestra – and the world's first screening of Manchester's James: Live at the Acropolis, utilising the D&B Spatial Soundsystem.

International festival WOMEX came to Manchester for the first time, and we hosted three stages with much praise. Beyond the Music, the conference and education strands of the festival, allowed us to welcome people from across the music industry, with a first address from Culture Secretary Lisa Nandy.

Our first club events were a huge success and well received by our audience. It was a showcase of real cross-department effort with support from some external consultants. We delivered a series of artist residencies as Underworld, Janelle Monae, Fontaines DC and Sampha all performed multiple shows in the building.

It's vital we use our place and space to provide a platform for marginalised voices and for artists from around the world including: Anohni & the Johnsons, Janelle Monae, Arooj Aftab, Nubya Garcia as well as a series of shows with various orchestral partners: BBC Philharmonic Schools Concert, Untold Orchestra & Paraorchestra. Many shows saw support slots come from local artists such as Obeka, The KTNA, DJ Paulette, Isaiah Hull, The Breath as we continue committed to developing artist careers through the organisation.

Our new Head of Music joined in July 2024 and has championed cross-departmental work:

- We have supported our Artist Development team to grow the Factory Sounds cohort in partnership with Adidas to 15 acts. We have been able to deepen their experience by providing mentorship as well as recording opportunities with the new Abbey Road studio that has been opened at Co-op Live.

- We worked very closely with the Commercial Partnerships team to develop Manchester's first Amazon City Sessions which saw huge viewing figures across four shows with Bastille, Ella Henderson, Franz Ferdinand and Mumford and Sons.
- We have been closely working with operational teams to holistically and seamlessly improve our blueprint plans for gigs so we can transition from artistic programme to gig set up and maximise the flexibility of the modular spaces at Aviva Studios as well as audience experience and expectation.

Reviews, from local and national press alongside audiences, have been consistently positive and enthusiastic, particularly the club nights with Teletext. Ticket sales have been stellar, with 28 shows achieving sold out status and many others getting incredibly close too.

When music fans come into the building, they don't just spend on tickets, and over £200,000 in additional income has been brought in from additional spend including merchandise, food and beverage and box office charges.

Commercial Events

We're working to bring major, international commercial events to Manchester.

The city itself is subject to growing interest from those who run major events and we want to maximise on that. The flexibility and design of the venue means we can host a wide variety of events, from conferences and product launches to festivals, filming and charity dinners.

The Commercial Events and hires programme is a new area for the organisation, so our focus has been to develop our base of corporate relationships and building venue awareness within the hire and agency industry. This helps us to cultivate our network and the reputation of the venue. Over the short and long term, this commitment will convert into commercial opportunity.

Within the 2024-25 financial year, Commercial Events secured £672,000 hire income across a programme of 21 events – focusing predominately on bookings for the Law Family Hall and the Warehouse.

Our continuing ambition is to attract national and international brands, alongside new events to the city. This has included Channel 4 with the finale of *The Piano*, an esports tournament hosted by Atmo, sports apparel brand adidas, streaming platform MUBI, Netflix, MTV EMA's Afterparty and a charitable gala dinner with St Anne's Hospice.

This rich variety is a good indicator for future growth. As the venue matures and our reputation builds we can focus this programme further and work to our strengths and organisational values. It is also worth acknowledging the positive and impactful shift in the event industry within Manchester, with other major event venues opening over recent years as well as Aviva Studios.

Public Engagement + Creative Learning

We are passionate about making Factory International a place for everyone, breaking down barriers and developing the next generation of creatives.

In this rewarding year we have built on the early work of our Public Engagement programme and deepened our connections with people all over Greater Manchester.

Across all our engagement programmes, we saw:

- 5,996 engagement hours
- Over 40% of beneficiaries surveyed identified as being from the global majority
- 21% identified as disabled
- Our engagement with people from lower economic backgrounds grew steadily to 51% of beneficiaries surveyed by the end of the year
- Our learning programmes also grew with over 4,000 young people taking part in activity led by Factory International either in Aviva Studios or their classrooms.

One example of how we work was a six-month project, working with Fusion Factory, a group of 14 representative Greater Manchester residents on a co-curation project, and collaborating with playable art company BRiGHTBLACK. This culminated in *Those Who Hold Up The Sky* which welcomed 2,400 audience members to the main exhibition and a co-created public programme. The interactive exhibition invited audiences to imagine what cities will look like in the future through hands-on play and video game technology. The Manchester Evening News said '*this free exhibition represents a counterbalance*' [to other costly city-centre offers] and the open-sourcing of the game online '*taps into a growing indie gaming ethos*'.

We also recruited and have been working alongside three new non-arts community partners providing bespoke support and helping them to build their capacity with a £10,000 contract. These include Rainbow Haven, who provide lifesaving support to sanctuary seekers across Greater Manchester from their base in Gorton; Salford Lads and Girls Club, an historic community club for working class young people in the ever-changing area of Ordsall; and Manchester Urban Diggers CIC, who educate and engage communities in growing local produce from Platt Fields Market Garden in Fallowfield.

Each also has weekly programming delivered by socially engaged artists through our Lifelong Learning programming and co-delivered uplifting events in community settings.

Our footprint extends far beyond our building and continues to grow. This year we have worked with 14 Neighbourhood Organisers (NOs), the largest number we have contracted in the same period. A vital part of our team, these NOs support engagement in commission-related activity, volunteering, Community Partnerships programming, We Gather (community social event) and distributing free tickets to target communities as part of our equitable ticketing strategy. This year they cover Salford, Cheetham Hill and Crumpsall, Rochdale, Moss Side and Hulme, Longsight and Ardwick, Moston, Harpurhey, Wigan, Wythenshawe, Failsworth, Oldham and Ancoats and Miles Platting.

We have three key flagship programmes for young people. Each drives our mission to make creativity a central part of everyday life, not something on the margins. They are Factory Schools, Young Creatives, and the adidas Creators Network.

Factory Schools has expanded its reach to children at risk of exclusion, working in partnership with schools and educators to embed cultural learning into the school day. The programme culminates every July, with 20 young people co-creating an event as part of our Schools Collective.

Young Curators, co-created with young people, has become a vital part of our formal curatorial structure. They are currently developing a new commission, set for delivery in 2025/26.

The adidas Creators Network culminated in a vibrant public exhibition in April, spotlighting emerging creative talent and positioning underrepresented young people at the centre of our public programme.

Public Realm Programme

It's our purpose to open the doors of Factory International and to welcome everyone in for creative exchange and artistic participation. Our Public Realm Programme is central to our placemaking and how we engage with the public, bringing new audiences into the building – whether they're arts audiences or not – while exploring key artistic and cultural trends.

This year's programme was structured around three key strands:

- Wraparounds, responding to activity in Factory International, seasonal events or those happening across the city (activities in response to FI, seasonal, and citywide events)
- Open House, where we work with community and grassroots artists and creators
- Occasion, themed celebrations like a mini-festival or takeover.

We might be indoors or outdoors, our events might be one offs or regular, but they are developed for and with our communities and partners across the city-region.

Our programme has included live performances, talks and book launches, arts and crafts workshops, family activities, comedy and quiz nights, marketplaces and pop-up exhibitions, mini festivals and takeovers. It is diverse, inclusive and accessible, designed to reflect the people and communities of Greater Manchester, and goes a step further with a targeted approach for underrepresented communities and grassroots artists and creators.

This new, year-round 2024-25 Public Realm Programme has been a resounding success, with 244 events developed, commissioned, and delivered in its first year –attracting a huge number of new audiences to Aviva Studios. We have exceeded our targets with our Equality, Diversity and Inclusion (ED&I) data showing increased representation in Q4 across all monitored categories: 57% People of Ethnic Diaspora, 32% Disability, 31% LGBTQ+, and 66% Female Representation.

Access

Factory International is for everyone, and over the past twelve months our access strategy has focused on three key areas; artistic practice, visitor experience, and building operations.

We have delivered;

- 35 BSL interpreted events,
- 21 captioned events,
- 11 audio described events,
- and 11 relaxed events across our artistic, music, and commercial programmes

That is a 53% increase in the number of accessible performances delivered when compared to our previous financial year.

A real driver of this success has been both an agreement and formalisation of how we deliver Access throughout the teams looking after programme delivery. This has helped to make them more confident about making Access related decisions. In fact, it's worked so well we're going to apply the same approach with our visitor experience teams and will launch an "Access Champions' initiative we have been developing in the coming year.

We have seen an increase in a more regular offer for d/Deaf, disabled, and neurodivergent visitors which has helped us reach more people and we have seen 4000+ access tickets booked at Factory International in the last 12 months.

We are working collectively with others in arts and culture to reduce barriers to cultural events, widening participation and broadening our reach as well as innovative practice. This has included roles within All In's Advisory Panel and the UK's Access Manager Group.

Our work with the Disabled People's Engagement Group (DPEG), broadening its parameters and refreshing the membership base, alongside our increasingly productive relationships with Manchester's disabled-led community organisers, has imbued the organisation's access strategy with a revitalised sense of direction and civic connection.

The work continues. The results of an independent access audit of Aviva Studios in December 2024 show what needs to change. We are planning for our new portable Chill Out Space (otherwise called a quiet or calm space). This is a new facility that will be made available to artists, audiences, and staff from the opening weekend of MIF25 onwards, in addition to bolstering our welcome for specifically neurodivergent community members, the establishment of this provision will contribute significantly to the organisation's efforts to join Attitude is Everything's Live Event Charter at a Gold level – our primary access-related goal for the coming 2025-26 year.

Factory Academy

We're working to get people into the creative industries.

'I now understand how a theatre space works, and it isn't as intimidating to get into'.

209 Greater Manchester residents have accessed one of our core Factory Academy programmes this year. We launched Event Ready, our technical workforce solution, and Business x Creativity incubator.

Event Ready has already supported 80% of its participants into paid employment with 62% of Business x Creativity graduates securing paid work or launching creative businesses or projects.

'I finished the 12 week Business X Creativity course with Factory International! I would highly recommend this course to anyone starting out in their careers; I've learnt some valuable insight into the world of freelance. I have started working as a freelance facilitator, delivering drama, dance, and the occasional visual arts workshops. Excited that I get to regularly do what I love!'

142 accessed initiatives like the Working-Class Creative Exchange, Black and Global Majority Connector as well as a series of short and intense skill sessions focussed on topics like DIY film making, storytelling and creating audio drama.

55% of those we tracked once they completed a core programme have secured paid work in the creative or cultural industries. Graduates have moved into roles at Factory International in Technical, Facilities, Skills & Training, Public Engagement, Ticketing, Front of House and Festival teams as well as taking up roles with BIMM, BBC, Salford Uni, 53Two, Royal Exchange, Opera House, Oldham Coliseum, Reform Radio and Breaking Barriers amongst others.

42% of people accessing core programmes identified as being from low socio-economic backgrounds and working-class with 93.4% overall declaring being from either a diverse background or possessing an underrepresented characteristic which has been traditionally excluded from this industry.

International

30 presentations of work in Europe, Asia, North America and Oceania

We work with partners and co-commissioners across the world to give Factory International a global footprint.

This year, we secured co-commissioning income from partners in Hong Kong, Taiwan, the USA and Australia to support the creation of *The Accountants*, *City of Floating Sounds* and *ARK*, all of which premiered at Aviva Studios in 2024-25.

The Accountants was then presented as the opening performance of Asia PLUS festival in Hong Kong in October 2024 and *City of Floating Sounds* was the opening performance of the Festival Orchestra of Lincoln Center Summer Season at Lincoln Center of the Performing Arts in New York in July 2024.

In the same year, we also saw co-commissioner presentations of *The Faggots and Their Friends Between Revolutions* (MIF23) at Holland Festival and Ruhrtriennale and of *R.O.S.E* (MIF23) at Park Avenue Armory in New York. *Find Your Eyes* (MIF23) toured to the Venice Biennale di Danza, Dublin Theatre Festival and Under the Radar festival in New York. *The Find* (MIF23) and *I Can't Follow You Anymore* were presented at Museum of Contemporary Art Helga de Alvear and Light Art Space respectively.

In total, 30 presentations of work commissioned or co-commissioned by Factory International took place in Europe, Asia, North America and Australasia.

We are building for the future, with the second year of the British Council Global Future Leaders programme and the latest edition of International Producer Training in Japan.

And the work doesn't stop; the International team has been working to secure co-commissioning partners for multiple projects in MIF25 and Marina Abramović's *Balkan Erotic Epic* as well as further touring presentations of existing projects and expanding our training and consultancy work.

The Aviva Studios' programme has attracted significant interest from the global industry and we have welcomed guests from every continent except Antarctica this year; these visits have been invaluable for securing future collaborations and forging new relationships and we will continue to build on this in 2025-26.

Building and Visitor Operations

Visitor Operations

With our first full year of programming and operation, understanding and measuring our audiences' experience and sentiment is vital. We want everyone to have a great experience, whatever they are visiting for, and our work is focused on enhancing that.

We have generated visitor feedback via post event surveys, both in person and through surveys in the venue, as well as direct feedback through social media and email channels. It continues to be very positive, especially about the sound quality in music gigs, the welcoming and friendly atmosphere and people, the quality of the artistic experience and the venue cleanliness.

There are areas of improvement, and our visitors suggest that it is around food and drink service and speed, the quality of food and queuing.

Our visitor operations team has matured and grown in confidence. We have focused a great deal of energy and attention this year on “the welcome”. In Spring 2025, we restructured our team to bring volunteering, security and visitor host team under one banner with a new senior post “Head of Welcome”. We have also created the capacity to introduce an Operations Director.

We work with a third-party security service, FGH Security, and they have been working with us to refresh our Counter Terrorism Strategy with detailed work on Emergency Planning and Protest Management Plans. We have also benefited from their expertise across all events, including our large-scale music gigs and newly introduced club nights in March 2025.

Hospitality and Retail

Factory International isn't just a place to come and see great art, it's a place we want people to feel welcome, to come and hang out and feel a part of. Our hospitality and retail offer is central to that.

We know that our audiences want to buy show merchandise and programmes, both in the building and online, and our move to an “always on” shop is part of that.

Hamlet Hail to the Thief was our first “live” show for our new online store, allowing audiences to make an order to be delivered or pick up at the show. Pre-ordering a programme or merchandise is now part of our ticketing journey, which has seen sales of over £6,000 on each show we have used it on.

David Hockney's *Bigger and Closer* (not smaller and further away) was the most successful show for retail with a total turnover of just below £190,000 with a spend per head above target at £2.32. We also saw a higher spending audience purchasing a £4,500 Taschen David Hockney book three times.

Most of our F&B is contracted to Super Serve who continue to operate our bars and café spaces providing variable commission to Factory International, depending on the space and event.

Music gigs generate the highest income, with over £100,000 from these alone. A further £37,000 came from merchandise on these shows. With plenty of big shows to come, we can only see this continuing.

It's vital that our food offers helps to set the tone and make this a welcoming environment for every event, so we have worked alongside other catering partners for culturally specific food for certain events, as well as with catering partners like Hessian for higher-end dinners including St Anne's Hospice Gala Dinner and a Partnerships event for Selfridges inside the David Hockney exhibition.

Capital Projects

We have created a new learning and training space called The Lab, after entering into a lease with the Science and Industry Museum for one of the storage arches, which adjoins the Aviva Studios building. This will be mainly used by Factory Academy and Public Engagement, allowing the majority of the Factory Academy courses to be run onsite, encouraging a greater integration between the Academy graduates, community users and those in the main venue.

Audiences, Press + Marketing

Press and media are a critical tool for engaging with our audiences and our focus is on generating high quality coverage, locally, nationally and internationally. This raises awareness of our brand, tells people about our programming, driving ticket sales while engaging with the public.

We had just under 7,000 pieces of press coverage over the year with 596 broadcasts, 366 print and 5,808 digital items (equating to £12.6m AVE)

- National 53.4%
- International 32.4%
- Local 14.3%

Top performing titles included Manchester Evening News, BBC Radio Manchester, BBC 6 Music, I Love Manchester, I Love MCR, The Guardian, BBC News Online, NME and Dazed.

Our press campaigns have focused on reinforcing both the vision and values of Factory International, amplifying our flagship projects and building on key moments within the city.

Through seasonal and headline announcements, we are able to showcase the range and ambition of our international programme, and to talk about its impact, especially of Factory Academy.

Key productions such as *Figures in Extinction*, *City of Floating Sounds*, *Robin/Red/Breast*, and Laurie Anderson's *ARK* generated major features in the likes of Crack magazine, The Guardian, Observer, FT, and BBC Radio 4, alongside reviews across all national broadsheets and regional publications; while TIME magazine named Aviva Studios as one of the 100 Greatest Places in the UK.

We marketed and promoted 26 major own promotion shows between April 2024 and March 2025 as well as a number of one-off events and public programme across the year.

We achieved £2.5m ticket income for the year.

Most of our shows hit our Audiences' targets, with our Lightroom and David Hockney's *Bigger and Closer (not smaller and further away)* attracting 72,000 visitors.

As part of our commitment to ensure Factory International is open for everyone, 38% of our tickets were affordable; low income, unwaged, Aviva £10 Tickets, audience development free and £3 tickets, over 65s and students. Successes for the year were *Traplord* (38%), *The Accountants* (28%), Arooj Aftab (25%) and *Cycles* (24%). 20% of our audiences identified as having a disability and 25% of audiences came from a Manchester City postcode.

We extend Factory International's storytelling out of the building and online with our digital content. This builds our profile, engages with our audiences and breaks down barriers to entry.

- Eight podcast episode series, Dream Space, with Gemma Cairney
- A new annual emerging writers' series with seven writers from the North
- Ten *In the Studio* our behind-the-scenes content
- Eight *Factory Sessions* showcasing music from our stages
- Three Editor In Residencies
- Three art and technology films and streamed seven online talks

Our social following grew significantly over the year growing by 81%, we had 1.2m likes and engagements and 14m views of our videos across all our platforms.

Partners + Funders

Brand Partnerships + Corporate Sponsorship

With Aviva Studios now enjoying a year-round cultural programme, we developed a bold strategy to take advantage of the new opportunities that came our way and the enhanced visibility.

Our brand partnerships and corporate sponsorships have achieved significant growth in the past year.

Our revenue has risen, as has average investment, and we have 23 partnerships secured across a variety of sectors, in addition to our flagship naming rights partnership with Aviva.

This has resulted in collaborations that have helped us to reach more people, connect with new and diverse audiences, work inclusively, with an innovative approach and has enhanced our goals to make Factory International a place for everyone.

This year, our portfolio of partner brands and sponsors was diverse, with new connections being made, as well as old friends continuing to work together.

We have 23 partnerships and a refreshed strategy, which is more ambitious and proactive.

Longstanding relationships with Selfridges and our regional universities continued, while new partners came on board thanks to our “go to market” strategy. We developed this by working across teams towards a common goal, with new sales collateral making the case for supporting Factory International.

Partnership revenue reached £1.1 million. Our activations expanded in both scale and ambition, as we shifted towards collaborations that are covering longer periods of time with a higher impact. A highlight was the flagship partnership with adidas, Factory International’s Official Sportswear Partner. We share a vision to democratise opportunity and, with their brand wanting to reconnect with its UK heartland in the North West, adidas launched two engagement strands: Build, a skateboarding festival, and the Originals Creator Network North, a skills-based creative learning programme.

adidas Build Manchester

Our team worked alongside skate specialists Dent and Betong Park to build a bespoke skatepark outside Aviva Studios for Build. Combining sport, culture and the community, hundreds of local participants came together with global adidas team riders like Gabriel Summers, Vitoria Mendonca, and Blondey. There were free daily skate schools led by Projekts and Goosieside, DIY skate obstacle workshops, and giveaways from brands like Drama Call and Note.

A survey in Greater Manchester targeting Gen Z significant uplift in perception of both brands.

adidas Originals Creator Network North

Co-developed with Factory’s Creative Learning team, this adidas-backed programme supported underrepresented young creatives in marketing and content creation. The inaugural cohort of 20 reflected diversity in race, LGBTQ+ identity, disability, neurodivergence and socio-economic background. The programme will continue into 2025/26.

Partnership with AVIVA

Aviva’s strategic partnership has supported several key initiatives;

Factory Academy: Aviva's backing helped train 209 Factory Academy students this year.
Unlocked: Creative Careers: Launched in 2024, this programme reached 500+ students via workshops and school visits.

£10 Tickets Initiative: Over 21,000 tickets sold at £10, boosting cultural access.

Amazon Music City Sessions

This partnership featured performances by Bastille, Ella Henderson and Franz Ferdinand, streamed on Prime Video and Twitch. With huge live streams and impressions, the series reached across the UK and the US. Factory Academy alumni gained production experience.

MUBI Fest

Factory hosted the UK's first *MUBI Fest*, a two-day celebration of independent cinema at Aviva Studios, attracting 5,945 attendees.

Philanthropy + Fundraising

Our Philanthropy team embraces creative problem-solving and innovation in their quest to provide a full-service fundraising operation.

This might be a challenging environment to work in, contending with shifting donor expectations and competition for funding, but we have worked strategically and proactively.

We created a new and targeted Case for Support for Factory International and delivered on our strategy to strengthen our base of previous donors. This was a vital step to truly embed a culture of philanthropy across the organisation and helped us to reconnect with lapsed donors, restore our giving circles and give our supporters a stronger, creative relationship with us.

We're building relationships with new trusts and foundations, including those that operate on invite only, and are working with our Chair and Senior Leadership Team to connect with funders. Identifying who we want to work with, and how they align with our mission and values, is a critical element of our work. It's vital that all of our philanthropic opportunities are entwined with both our business plan and strategic objectives.

This includes connecting with our current supporters and encouraging them to become advocates for our work and impact; responding to supporter feedback and reviewing how we work. We want to increase our major gifts from regional and UK-wide donors and work ambitiously to develop new initiatives, launch a Friends of Factory International USA and a mid-career Groundbreakers scheme. We are also actively exploring how we can build on our connections within Film & TV as well, as a South Asian Artist Strategic Fund.

It is our goal to build greater financial stability from restricted and unrestricted income, cultivate major funder prospects, prioritising those with multi-year funding opportunities and actively pursuing non-arts grant funding from cross-sector partners. Our artistic and engagement programmes offer a great way to sell our story and what our organisations need, and we'll continue to build our work.

Since January 2025 the team has been led by Executive Commercial Director, Scott McVittie and from September 2025, Max Dunbar will be Philanthropy Director. This allows us to develop and strengthen our team and their skills, with the Philanthropy Assistant and Philanthropy Coordinator increasing their experience in Trusts and Foundations and individual giving fundraising respectively.

Funding Bodies

Strong relationships are at the heart of what we do, and nowhere are they more important than with our public investors. We have worked closely with Arts Council, with a positive and open dialogue and this has resulted in our risk rating moving downward during the year to now be assessed at 'moderate' in place of 'high' risk by March 2025.

Both of our key funders have supported us with advice, via external advocacy and in demonstrating flexibility to better support the final stages of the capital project and forward business and financial planning.

We are building on our communication and connections. We attended the Regeneration Scrutiny Committee with MCC senior officers. Following this, business and project updates are provided to MCC Culture and Capital teams for dissemination to members. Factory Oversight Group meetings continued through the year (capital project oversight) with ACE, DCMS, MCC and Factory International representatives overseeing the closing stages of the capital project.

Strategic Planning

Our next Strategic Plan will focus on 2026-31. The goal is look forward, focusing on our ambitions now that the opening of Aviva Studios is complete. We will assess how we can make sure the full range of activities that are both delivered and supported by Factory International meet our vision and mission.

Work began in September 2024 with a Board Away Day where we looked at key themes and our vision for the future. Intensive work then stepped up with the Executive team in December 2024 and a staff Away Day in February 2025. The Factory International People's Forum has been giving input throughout.

While the core purpose of our organisation stays the same, we will be reviewing language around Vision, Mission and Values, as well as the setting of new key Aims and Ambitions for the five-year period.

We'll be talking to our stakeholders, consulting on their views, as part of the process, alongside an in-depth analysis of risks and opportunities.

The planning process will continue until late 2025, with the plan launched in early 2026.

Review + Reset

With a mission of inclusivity and equity, it's always important we put our core values into practice. That's why, in late 2023, we launched a staff-led project.

Review + Reset is internal, and it aims to both identify and address challenges within Factory International as we settle into a new venue and deliver a year-round programme. It might be an operational, a process or a system issue but it is about ensuring everyone has a voice.

We began with a wide-ranging review of all existing project feedback and then conducted a full staff survey.

That enabled us to identify key themes which were then refined and developed by groups of staff. These have now been focused on 20 core improvement projects, which vary in both scale and complexity.

We've set up a Steering Group which meets every month and reports back to staff. Their focus is to monitor progress and work to identify and unblock any barriers in each project.

This is a process in itself, and everyone is still learning. We continue to make improvements to the organisation's systems, based on what we've been told and understood so far. We have;

- **Improved the organisation's communications** - There's a new internal online intranet, redeveloped and repurposed the all staff 'Team Meeting' to include the sharing of financial, risks and challenges and progress against KPIs to increase overall transparency across the organisation.
- **Sharing knowledge** - We have reworked internal meeting structures, cycles and how information flows through the organisations, helping to foster cross team interactions and support more devolved decision making. (Executive, Directors, Senior Management)
- **Simplified, strategic programming** - We have developed a new Programme Pathway to steer creative and significant commercial projects from curatorial through planning to delivery.
- **Working together** - We are working on collaboration systems to streamline and enhance working practices and processes across the organisation
- **Staff development and equity** - We have opened up and enabled staff development opportunities to engage with our leadership teams through shadowing opportunities at Board and Executive team meetings

This ambitious work is focused on driving change and will continue to be rolled out, with longer term projects being championed, being integrated into the organisation's Strategic Plan.

People + Culture

Equity and representation are at the heart of our values as an organisation, and we work to embed them into our work. We are passionate about having a people-centred policy and practice.

This year we launched our first staff engagement survey, achieving a 78% participation rate and an overall engagement score of 58%. In response, we've improved meeting structures and are working closely with the Senior Management Team, Line Managers Group and the Staff Representation Group (including Health & Wellbeing) to shape recognition initiatives. This ensures transparency and responsiveness to feedback, with further initiatives planned based on ongoing evaluation.

Our line managers scored highest in the survey, with 86% of respondents agreeing they genuinely care for the welfare of their teams. We are building on this by strengthening their skills through dedicated training, one-to-one coaching, and mentoring. This supports fair, consistent implementation of policies and improves daily working relationships.

Listening to the feedback from both staff and managers, we have launched a simplified appraisal process focused on pastoral care.

Across the year, we delivered 1,776 hours of training, including face-to-face and online sessions. That has included;

- 110 staff completing environmental sustainability training, achieving 80% carbon literacy accreditation
- Compliance and technical upskilling for in-house teams

- A wide range of online iHasco modules covering Cyber Security, GDPR, Frontline staff, including hosts, participated in disability awareness training.

We also refreshed and relaunched our Equalities Action Plan (EAP), setting SMART targets with clear departmental accountability. Equalities initiatives are increasingly staff-led, with support from coaching, inclusive practice training, and a growing cultural competency framework. This approach has been informed by a People-Centred Leadership Session, attended by 180 staff, as part of our organisation-wide strategy day. Our Equity Leads model continues to deepen leadership accountability.

We're growing as a team and we're increasing representation across the organisation. So far, we've filled 73 roles with 53% female, 39% male and 8% gender minority; 47% LGBTQ+; 36% Black, Asian or other ethnic diaspora backgrounds; 10% identify as disabled; 20% as neurodivergent or living with a mental health condition; and 26% from lower socio-economic backgrounds.

We know we can do more, so we are going to look at how we can improve our recruitment processes to further encourage applicants from underrepresented groups. This will include improving induction and onboarding programmes. We are also looking at how we can adapt to the increasing use of AI by applicants.

FINANCIAL REVIEW

Over the 12-month financial period ended March 2025 the group made a loss of £414k (2024: £136k) with the result that reserves decreased from £13,646k to £13,232k (representing a drop of 3%).

A comparison of the results of this financial period to the previous one, requires acknowledgement of the delivery of the biennial Festival MIF23 in the previous financial period, and also the fact that the new venue AVIVA Studios opened officially in October 2023.

GRANTS AND DONATIONS

The amount of income from grants and donations decreased by 26% compared to prior year from £19,037k to £14,100k reflecting reduced support from MCC as we neared completion of Aviva Studios. The largest grant was provided by Arts Council England (ACE) representing a National Portfolio Organisation (NPO) funding agreement for the ongoing development of Factory International. The total amount of ACE funding has remained relatively flat; marginally increasing from £9,905k in the prior year to £10,007k this year.

Our other principal funding agreement is with Manchester City Council (MCC). In this period, the total amount of MCC funding was £3,596k and included our typical annual funding of £2,500k however we also received a contribution of £500k towards the impact of delays to the building and £596k towards the fit-out of the new venue and investments in fixtures and fittings.

In addition to public funding, Factory International continued to be supported by income from Trusts and Foundations to support key areas of activity – particularly our creative engagement programme. The total income from three organisations was £325k (2024: £303k).

We also received support from individual donations of £73k (2024: £177k).

INCOME FROM CHARITABLE ACTIVITIES

Income from charitable activities represents income from the many activities that Factory International undertakes for the public benefit, including the varied activities that take place in Aviva Studios as well as touring activities and international presentations.

Total income for the financial period from charitable activities was £5,405k which represents a decrease from £6,235k in the prior year primarily due to no Festival or venue opening activity in this financial year.

INCOME FROM OTHER TRADING ACTIVITIES

Income from other trading activities includes £735k (2024: £945k) from The Factory Academy programme of activity which as described earlier in the Trustees Report, provides pre- and post-employment training for under-represented groups in the cultural sector. The Factory Academy income relates to a secured sub-contracting funding agreement with a learning body, initially secured in September 2020, to provide high-quality training programmes. There was also £3,920k (2024: £2,976k) of income from commercial activities such as business partnerships, music and commercial event hire, food & beverage and merchandise.

COST OF RAISING FUNDS

The cost of raising funds has remained relatively consistent with prior year increasing by only 2% from £5,647k to £5,758k driven primarily by the direct cost of the operations of the trading subsidiaries.

EXPENDITURE ON CHARITABLE ACTIVITIES

Expenditure on charitable activities presents expenditure from activities that Factory International undertakes for the public benefit, including the AVIVA Studios based artistic programme and other year-round charitable activities such as Creative Engagement as well as the biennial Manchester International Festival.

Overall expenditure decreased from £25,310k to £20,000k with no festival being delivered during the financial year and 24/25 being the first full year of operating activities in the new AVIVA Studios.

Expenditure related to the transition into AVIVA Studios declined from £1,910k to £680k as the organisation settled into the new venue.

TAXATION

Factory International accrued a taxation benefit of £1,108k (2024: £1,568k) in relation to creative industry tax reliefs claimed by both MIF and MIF Productions in respect of eligible commissioned work. This is a decrease on the prior year and represents the mixture of eligible in-year activity and activity for the 25/26 venue and festival programme.

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. Factory International endeavours to make best use of available funds by investing these funds in interest bearing deposit accounts, which in the 12 months to March 2025 generated interest of £75k (2024: £61k).

RESERVES POLICY

FI's Reserves Policy is reviewed and updated annually as part of the organisation's longer-term strategic financial planning and risk management. In setting the Policy and the target for general reserves, a number of factors are considered including the general level of risk within the current and future operations; the reliability of forecasted revenue and expenditure projections and the extent of cover required for overheads.

The Reserves Policy is set to ensure that Factory International can continue to deliver its charitable objectives through this transition period of opening Aviva Studios and beyond. The level of risk in the financial year ahead is considered to remain high, as we establish the year-round artistic programme and develop commercial revenue streams.

The current reserves position is as follows

Restricted Funds:

As at the end of March 2025, the total value of restricted funds were £138k (2024: £270k) and are for various Trust & Foundation supported projects.

Unrestricted Funds:

The total value of unrestricted and general funds were £13,094k (2024: £13,376k) and represented:

- **Capital Depreciation Reserve** equivalent to the NBV of fixed assets on the balance sheet, and reduced each year by an amount equivalent to the depreciation charged to the SOFA in respect of those assets being utilised. At end of March 2025, the value of the capital depreciation reserve is £10,355k (2024: £11,587k). The capital depreciation reserve is unrestricted and is assigned for this purpose.
- **General Reserve** to provide sufficient cover to allow the organisation to continue its charitable purposes in the event of an adverse impact to its unrestricted income and / or unforeseen costs. Having targeted a minimum level of £1m, at the end of March 2025 the value of the general reserve is £2,740k (2024: £1,790k), ahead of the minimum target.

Looking ahead the following reserves will be targeted for successful ongoing operations:

- **Sinking Fund Reserve** The reserve will be established to contribute towards the capital replacement cycle of the building over the 30-years of the lease. This fund will be unrestricted and assigned for this purpose, pending more formal designation by Trustees.
- **Capital Purchase Reserve** to replenish Fixtures and Fittings related to assets within the venue needed to deliver future business plans. The current business plan runs to March 2026, and the appropriate reserve plan will be established as part of the next business planning cycle. At that point the Finance and Audit Committee will take a view on whether a designated fund is required.
- **General Reserves** Beyond the transition period the organisation is currently looking to maintain general reserves at £3.0m. The Finance and Audit Committee have agreed to actively review the target for general reserves alongside the 5-year business plan process.

GOING CONCERN

The group manages its activities with positive restricted and unrestricted reserves. The charity relies on funding from Arts Council England and Manchester City Council. Future success is also dependent on achieving a balance of artistic, social and revenue-generating commercial activity at the venue operated by Factory International.

The current unrestricted Arts Council England funding agreement contractually covers the period to March 2026. The Charity submitted a bridging funding application in December 2024 to cover the period April 2026 to March 2027. The funding extension has been confirmed by Arts Council England however the level of funding has not yet been agreed due to the details of government funding not being known presently. This approach is applicable to all NPO funded organisations, not specifically to Factory International. The Trustees are confident that there is unlikely to be reduced funding for 26/27, and have assumed no increase on 25/26 as a prudent approach.

Alongside the long-term financial support of Arts Council England, Factory International has also signed a Management Agreement with Manchester City Council to run the new building out to March 2032. This attracts an appropriate service fee and underpins the core running costs of the venue.

The Trustees have undertaken a full review of the current short-term and long-term financial plans and the cashflow forecast through to 31 December 2026, giving necessary and due consideration to the wider organisational context and macro-economic challenges. The Trustees have also considered the potential impacts of not achieving future income targets and / or covering unforeseen costs by conducting sensitivity analysis on cash projections. Following this review, the Trustees confirm that the organisation's accounts will be prepared on the basis of 'Going Concern'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Manchester International Festival (trading as Factory International) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 22 September 2014. The company became a registered charity on 26 April 2006.

DIRECTORS AND TRUSTEES

Factory International is governed by a diverse Board of leaders from business, arts, local government and communities. 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 (except for 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 Board may, by ordinary resolution, appoint a person who is willing to be a Director. The Schedule of Delegation requires that all new appointments go through a process with the Nominations Committee who then makes a recommendation to the Board on the suitability of persons to appoint.

Manchester City Council currently has appointed two persons as Directors to the Board and retains the powers to change these appointments as required. A Director appointed by Manchester City Council may at any time be removed from office only by notice in writing by the City Council.

All other Directors are subject to retirement after four years. 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.

Board recruitment continued its annual cycle to replace retiring or resigning Trustees. The focus of our Trustee recruitment continues to be on increasing diversity of board membership, and aligning skills and experience to the expanding remit of Factory International and the venue.

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 annual budget, the most recent management financial statements and papers from the previous two Board meetings. Additional training is made available to all new Trustees to ensure that they are well supported to be able to carry out their responsibilities.

ORGANISATION

The Trustees administer the charity. They meet as a Board quarterly and through various sub-committees – Finance & Audit, People & Culture, Ethics and Nominations – which meet prior to main Board meetings.

The four meetings align with quarterly finance, Business Plan and external funding reporting to strengthen Board scrutiny of company performance. For the fifth meeting, the Board undertakes an annual retreat to ensure focus on long term strategy in September.

In addition to the standing sub-committees, there are also various time limited working groups which convene around topics such as key leadership appointments, key funding submissions, and key procurement activities related to the operating model. Individual members act as Board-nominated leads on specific areas including Equalities and Safeguarding.

A CEO & Artistic Director is appointed to administer the day-to-day operations of Factory International. 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.

SUBSIDIARIES

On 27 October 2020, a subsidiary Factory Academy Limited (company number 12978506) was incorporated to deliver the Factory Academy programme of activities. The subsidiary is a private company with a £1 share issue and is wholly owned by Factory International. The charity consolidates in its financial statements the results of Factory Academy Limited.

Membership of Factory Academy Limited is as follows:

- Cathryn Wright (Director)
- Low Kee Hong (Director) (appointed July 2024)
- Richard Bell (Director) (appointed December 2024)
- Randel Bryan (Director) (to May 2024)

On 12 November 2014, a subsidiary MIF Productions Limited (company number 09308388) was incorporated to deliver specific dramatic and music productions. The subsidiary is a private company with a £1 share issue and is wholly owned by Factory International. The charity consolidates in its financial statements the results of MIF Productions.

Membership of MIF Productions Limited is as follows:

- Cathryn Wright (Director)
- Low Kee Hong (Director)
- Richard Bell (Director) (appointed December 2024)
- Hannah Cork (Director) (to May 2024)
- Kathryn Balmer-Mackonochie (Director) (to May 2024)
- Richard Paver (Director) (to July 2024)

Factory International Trading Services Limited (FITS) -. (Company number 14556931), was incorporated on 23 December 2022 and its trading activities commenced on 01 April 2023. The principal activities of the company are brand partnerships and corporate sponsorships including the naming rights of the venue, hire of the venue for 3rd party commercial and music events, sale of merchandise through the Factory International shop and commission received through food and beverage sales. The subsidiary is a private company with a £1 share issue and is wholly owned by Factory International. The charity consolidates in its financial statements the results of Factory International Trading Services Limited (FITS).

Membership of Factory International Trading Services Limited (FITS) is as follows:

- Cathryn Wright (Director)
- Richard Bell (Director) (appointed December 2024)
- Richard Paver (Director) (to July 2024)
- Sheena Wrigley (Director) (to October 2025)
- Scott McVittie (Director) (appointed October 2025)

RELATED PARTIES

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

RISK MANAGEMENT

FI's performance in the year was still being impacted by the slower than projected development of the surrounding St John's area. The implications of this remained significant within the year, as it affected FI's ability to attract external hires and events and our ability to attract more casual "drop-in" audiences.

Key areas of financial risk specific to the business model for the organisation, include:

- failure to meet in full our income targets (specifically box office, co-commissioning income, sponsorship, philanthropic donations, food and beverage and merchandise)
- failure to meet expenditure targets especially around larger and more complex artistic projects
- challenges in projecting and controlling building related and operational overheads during the early period of full operation
- general economic pressures within the creative sector resulting in co-commissioning and co-producing partners having reduced funds to invest in shared projects.

To mitigate these risks the organisation's management meets monthly to review the income and expenditure projections around the artistic programme of activity and to take responsive corrective action. All production budgets include a suitable level of contingency for unavoidable cost overages.

Commercial income is also regularly reviewed by management and, if and when necessary, organisational budgets are reforecast to manage and mitigate the reduced income.

The development of clear mid-to-long term planning of the programme of activities and identification of resources has been facilitated through the introduction of a new Programme Pathway. A new major project sign off process is in development aligned to this.

The charity regularly reviews all items of risk and had developed an updated organisational risk register. The Risk Register is a standing item at both the Finance & Audit committee meetings and the main Board meeting. Action is taken to mitigate and minimise those risks deemed significant and likely to occur.

The organisation has regular review meetings with both its major public funders – Manchester City Council and Arts Council England. Ongoing performance and risk are discussed at these sessions quarterly and annually. Both funders have observer status on the Board of Trustees and are provided with all financial and risk documentation for review throughout the year.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name	Manchester International Festival
Charity number	1113902
Company number	05292793
Country of incorporation	England and Wales
Company registered address	AVIVA Studios Water Street Manchester, M3 4JQ
Legal form	Charitable company limited by guarantee
Auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	The Co-operative Bank P O Box 250, Delf House Southway Skelmersdale, WN8 6WT
Solicitors	Eversheds Sutherland 6 Stanley St Manchester, M3 5GX

DIRECTORS AND TRUSTEES OF MANCHESTER INTERNATIONAL FESTIVAL

Moira Sinclair OBE (Chair)

Pat Bartoli

Cllr Luthfur Rahman OBE (nominated by Manchester City Council – to May 2024)

Cllr Garry Bridges (nominated by Manchester City Council – appointed May 2024)

Richard Paver (to July 2024)

Sir Howard Bernstein (to June 2024)

Richard Bell

Cathryn Wright

Jamil Khalil

Alan Bishop

Nihal Arthanayake (appointed March 2025)

Maria Balshaw CBE (to February 2025)

John Dunleavy (appointed March 2025)

Jo Whitfield CBE

Ngozi Ugochukwu

Fazeel Barber

Lamia Dabboussy

Laura Jordan-Bambach

Grace Ladoja MBE (to February 2025)

Ibrahim Mahama (to February 2025)

Shaminder Nahal

Gary Neville (to February 2025)

Sharon Watson

Candice Hull (appointed March 2025)

Joshua Wilkinson (appointed March 2025)

Lemn Sissay (appointed March 2025)

Thom Hetherington (appointed March 2025)

Leila Alexander (appointed March 2025)

COMPANY SECRETARY

Sheena Wrigley (to May 2025)

Karen Bass (appointed May 2025)

KEY MANAGEMENT PERSONNEL

Chief Executive Officer & Artistic Director - John McGrath

Executive Director – Sheena Wrigley

Creative Director – Kee Hong Low

Chief Financial Officer – Karen Bass

Executive Commercial Director – Scott McVittie (appointed October 2024)

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.

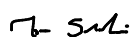
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with 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



[Moira Sinclair \(Dec 11, 2025 12:17:25 GMT\)](#)

INDEPENDENT AUDITORS 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 subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including 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 affairs of the group and the parent charitable company as at 31 March 2025 and of the group's 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.

BASIS FOR OPINION

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 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.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate 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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities set out on page 33, the Trustees (who are also the directors of the parent 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group 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 the 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

IDENTIFYING AND ASSESSING RISKS RELATED TO IRREGULARITIES

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with Trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

AUDIT RESPONSE TO RISKS IDENTIFIED

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

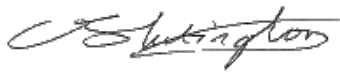
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

USE OF OUR REPORT

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



11/12/2025
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Cara Turlington (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account) for the year ending 31 March 2025

		Unrestricted	Restricted	12 Months Ended	Unrestricted	Restricted	12 Months Ended
		£	£	31 Mar 2025	£	£	31 Mar 2024
	Note			£			£
Income:							
Grants & Donations	2	13,674,959	425,000	14,099,959	18,763,811	273,341	19,037,153
Charitable Activities	3	5,405,327	-	5,405,327	6,234,542	-	6,234,542
Other Trading Activities	4	4,655,014	-	4,655,014	3,920,331	-	3,920,331
Investments	5	75,383	-	75,383	61,388	-	61,388
Total income		23,810,682	425,000	24,235,682	28,980,072	273,341	29,253,413
Expenditure:							
Cost of raising funds	6	5,738,424	19,529	5,757,953	5,601,837	45,397	5,647,234
Expenditure on charitable activities							
Festival Costs	7	52,136	1,325	53,462	7,314,221	366,570	7,680,792
Other Charitable Activities	7	18,730,499	536,177	19,266,676	14,471,825	1,247,668	15,719,492
AVIVA Studios Transition costs	7	679,645	0	679,645	-	1,909,925	1,909,925
Total expenditure		25,200,704	557,032	25,757,736	27,387,883	3,569,560	30,957,443
Net expenditure		(1,390,022)	(132,032)	(1,522,053)	1,592,189	(3,296,219)	(1,704,029)
Taxation	19	1,108,203	-	1,108,203	1,568,172	-	1,568,172
Transfers between funds	16	-	-	-	3,786,672	(3,786,672)	-
Net movement in funds after transfers		(281,818)	(132,032)	(413,850)	6,947,033	(7,082,891)	(135,857)
Total funds brought forward:							
At 1 April 2024	16	13,376,220	270,023	13,646,243	6,429,187	7,352,914	13,782,101
Total funds carried forward	16	13,094,402	137,991	13,232,392	13,376,220	270,023	13,646,243

These results derive from continuing activities and all gains and losses recognised in the year are included in the above statement.

The notes on pages 42 to 60 form part of these financial statements.

CONSOLIDATED & CHARITY BALANCE SHEETS

Company No. 05292793
As at 31 March 2025

		Group 31 Mar 2025	Charity 31 Mar 2025	Group 31 Mar 2024	Charity 31 Mar 2024
Note		£	£	£	£
Fixed assets:					
Tangible assets	12	9,826,260	8,783,797	10,821,212	9,479,182
Intangible assets	12	528,596	481,889	765,448	717,028
Investments	24	-	3	-	3
Total Fixed Assets		10,354,855	9,265,689	11,586,660	10,196,214
Current assets:					
Debtors	13	5,872,862	5,755,855	4,094,659	5,465,977
Cash and bank balances		5,063,954	4,680,583	3,733,637	2,713,562
Total Current Assets		10,936,816	10,436,438	7,828,296	8,179,539
Liabilities:					
Amounts falling due within one year	14	(8,059,280)	(7,434,945)	(5,639,343)	(5,278,152)
Net current assets		2,877,537	3,001,493	2,188,953	2,901,388
Provisions for liabilities	15	-	-	(129,370)	(129,370)
Total Net assets		13,232,392	12,267,182	13,646,243	12,968,231
Funds:					
Unrestricted funds	16	13,094,402	12,129,191	13,376,220	12,698,208
Restricted funds	16	137,991	137,991	270,023	270,023
		13,232,392	12,267,182	13,646,243	12,968,231

The Charitable company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Statement of Financial Activities. The parent company's net deficit for the year was (£1.16m) (2024: £0.93m).

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

M. Sinclair

[Moira Sinclair \(Dec 11, 2025 12:17:25 GMT\)](#)

Moira Sinclair OBE

Date: 11/12/2025

The notes on pages 42 to 60 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 12 months ended 31 March 2025

	Group 2025 £	Group 2024 £
Cash inflow from operating activities		
Surplus after tax for the year	(413,850)	(135,857)
Adjustment for non-cash items		
Depreciation and amortisation	2,444,658	1,321,862
Disposal of fixed assets	269,087	-
Increase in debtors	(1,778,204)	(2,706,899)
Increase in creditors	2,419,936	3,262,964
Provision for liabilities	(129,370)	(55,424)
Net cash flow from operating activities	<u>2,812,256</u>	<u>1,686,645</u>
Cash flow from investing activities		
Payments made to acquire fixed assets	(1,481,940)	(9,405,119)
Maturity of long term deposit	-	3,000,000
	<u>(1,481,940)</u>	<u>(6,405,119)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Increase in cash and cash equivalents in the year	<u>1,330,317</u>	<u>(4,718,474)</u>
Cash and cash equivalents at beginning of the year	<u>3,733,637</u>	<u>8,452,111</u>
Cash and cash equivalents at end of the year	<u>5,063,954</u>	<u>3,733,637</u>

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

CHARITY INFORMATION

Manchester International Festival is a company (company registration number: 05292793) limited by guarantee and incorporated in England and Wales. It is also a charity (charity registration number: 1113902) registered at the address AVIVA Studios, Water Street, Manchester M3 4JQ.

ACCOUNTING CONVENTION

The group financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP) 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 benefit entity under FRS102. Assets and liabilities are initially recognised at historical costs or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention.

REPORTING PERIOD

The company has prepared accounts for the year to 31 March 2025.

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 subsidiaries, MIF Productions Limited, Factory Academy Limited and Factory International Trading Services Limited, on a line by line basis.

The accounting periods for all subsidiaries are co-terminus with that of the charity.

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.

INCOME RECOGNITION POLICY

For Manchester International Festival t/a Factory International, income is recognised in accordance with the Statement of Recommended Practice (SORP) for Charities and Financial Reporting Standard (FRS) 102, when:

- The charity has entitlement to the income;
- It is probable that the income will be received;
- The amount can be measured reliably

Arts Council England and Manchester City Council grants are recognised over the period to which they relate, as funding conditions are met through strategic delivery.

Trusts, foundations, and philanthropic giving are recognised when receivable unless conditions exist that require deferral. If specific performance conditions are attached, income is recognised only when those conditions have been met.

Box office income is recognised when performances take place, as is ticket commission. Co-commissioning and touring income is recognised when performances take place. If a performance spans multiple financial periods, income is recognised in the period of the final performance.

For Factory International Trading Services Ltd and Factory Academy Ltd, income is recognised in accordance with Financial Reporting Standard (FRS) 102.

Sponsorship and brand partnerships are recognised as performance obligations are satisfied, either by allocating transaction prices to specific obligations or, where obligations cannot be clearly separated, on a time-elapsed basis over the contract period. Non-cash sponsorship (value in kind) is recognised as the service or benefit is received.

Income from hiring the venue is recognised in the period in which the event occurs. If an event is cancelled, any refund obligations are accounted for based on contract terms.

Retail and food & beverage income is recognised at the point of sale or, in the case of commission arrangements, when calculations for the period have been confirmed, or a reasonable estimate of the commission value has been made.

Factory Academy income from training delivery is recognised when the payment conditions are met, as contractual obligations with partner colleges are met on a per student basis.

Where income is received in advance of entitlement, it is deferred and recorded as a creditor until the conditions for recognition are met. Where entitlement to income exists before cash is received, income is accrued.

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 have been met; the receipt of economic benefit from the use by the charity of the item is probable, and that economic benefit can be 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.

EXPENDITURE

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.

Costs 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.

All significant producing costs expended in respect of the shows presented in future years are included in the prepayments in the Balance Sheet.

TANGIBLE ASSETS

Tangible fixed assets costing over £1,000 are capitalised. They are depreciated evenly over their expected useful lives. Depreciation is calculated at the following rates:

Equipment – 10% - 33 1/3% straight line per annum

Fixtures and fittings – 10% - 33 1/3% straight line per annum

INTANGIBLE ASSETS

Intangible fixed assets include software and related consultancy costs that the company believes will provide ongoing economic benefit. Intangible assets are capitalised when it is expected that the project cost will be in excess of £5,000 and the period of benefit is at least 3 years. Amortisation is charged from the point an asset is brought into use and the amortisation period is between 3 and 5 years dependent on the type of asset.

PENSION COSTS AND RETIREMENT BENEFITS

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.

As non-charitable companies, all subsidiaries are eligible for UK corporation tax. In this 12-month financial year ended March 2025, no Corporation Tax was due within any of the subsidiaries as Manchester International Festival has a legally binding agreement in place under which the subsidiaries will gift-aid all taxable profits to the Charity within nine months of the year end. No deferred tax assets or liabilities have been recognised, as this arrangement makes their crystallisation unlikely.

Across the 12-months to March 2025 the Group accrued a taxation benefit of £1,108,203 that is in relation to creative tax reliefs claimed by the Charity and MIF Productions in respect of eligible commissioned work.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. 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.

FINANCIAL INSTRUMENTS

The Group has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Other than where specifically stated all of the Group's financial instruments are classed as basic financial instruments. Financial assets are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

BASIC FINANCIAL ASSETS

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted

at a market rate of interest. Other financial assets classified as fair value through the statement of financial activities are measured at fair value.

IMPAIRMENT OF FINANCIAL ASSETS

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

CLASSIFICATION OF FINANCIAL LIABILITIES

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

BASIC FINANCIAL LIABILITIES

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

DERECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities are derecognised when the entity's contractual obligations expire or are discharged or are cancelled.

CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in accordance with FRS 102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation, amortisation, and doubtful debt provision. The accounting in these areas of the accounts requires management to use judgement. In relation to accruals this is a best estimate of costs that will be incurred based on contractual

requirements. Provision for doubtful debts is based on the age of debts and probability of their recovery. For depreciation and amortisation, the estimates are driven by the useful economic life of the associated assets.

2 Grants & Donations	Unrestricted £	Restricted £	2025 £
Manchester City Council	3,595,731	-	3,595,731
Arts Council England - Factory Grant	9,908,150	-	9,908,150
Arts Council England Unrestricted Project Grants	0	-	0
Arts Council England Restricted Project Grants	-	99,000	99,000
Other Public Funding Grants (inc. ALBs)	99,000	-	99,000
Trusts & Foundations	-	325,000	325,000
Kickstart Scheme	-	-	-
Individual Donations	72,079	1,000	73,079
	13,674,959	425,000	14,099,959

	Unrestricted £	Restricted £	2024 £
Manchester City Council	8,653,293	-	8,552,326
Arts Council England - Factory Grant	9,564,095	-	9,564,095
Arts Council England Unrestricted Project Grants	371,274	-	371,274
Arts Council England Restricted Project Grants	-	(30,000)	(30,000)
Other Public Funding Grants (inc. ALBs)	99,000	0	99,000
Trusts & Foundations	-	303,341	303,341
Kickstart Scheme	-	-	-
Individual Donations	177,117	-	177,117
	18,864,778	273,341	19,037,153

The amount received from local and Central Government grants was £13,701,881 (2024: £18,556,695). The comparative year included restricted income of £273,341 from grants and donations.

3 Income from Charitable Activities	Unrestricted 2025 £	Unrestricted 2024 £
Box Office	2,362,846	2,407,779
Digital	-	290,811
Co-Production & Co-Commissioning	482,863	587,445
Sponsorships & Partnerships	(76,967)	287,967
International Presentations	296,098	632,929
Other Projects & Charitable Activities	2,304,593	2,001,225
Memberships and Ancillary activities	35,893	26,387
	5,405,327	6,234,542

4 Income from other trading activities	Unrestricted 2025 £	Unrestricted 2024 £
Education Services	735,006	944,614
Commercial Services	3,920,008	2,975,717
	4,655,014	3,920,331

5 Investments	Unrestricted 2025 £	Unrestricted 2024 £
Interest receivable	75,383	61,388

6 Cost of Raising funds

	Direct Costs	Wages and Salaries	Support Costs	2025
	£	£	£	£
Fundraising	5,177	379,420	354,009	738,606
Production Services	681,219	-	-	681,219
Education Services	254,744	250,051	-	504,795
Commercial Services	2,907,849	925,484	-	3,833,333
	<u>3,848,989</u>	<u>1,554,955</u>	<u>354,009</u>	<u>5,757,953</u>

	Direct Costs	Wages and Salaries	Support Costs	2024
	£	£	£	£
Fundraising	213,538	373,762	363,909	951,209
Production Services	1,604,171	-	-	1,604,171
Education Services	358,744	415,937	-	774,681
Commercial Services	1,335,361	981,811	-	2,317,173
	<u>3,511,815</u>	<u>1,771,509</u>	<u>363,909</u>	<u>5,647,234</u>

Expenditure on raising funds include £19,511 (2024: £45,397) of restricted expenditure.

7 Expenditure on Charitable activities

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

	Other Direct Costs	Direct Wages and Salaries	Support Costs	2025
	£	£	£	£
Charitable Activities				
Festival	14,768	13,069	25,624	53,462
Non-Festival Artistic Commissions	2,637,489	2,334,053	4,576,143	9,547,685
Non-Festival Music Presentations	395,346	348,965	685,114	1,429,426
Non-Festival Co-Commissioning & Co-Producing	765,484	677,417	1,328,143	2,771,043
International Presentations	826,316	197,103	942,024	1,965,442
Digital Commissions & Broadcasting	224,174	171,442	364,151	759,767
Creative Engagement	637,370	639,435	1,175,257	2,452,061
R&D and Curatorial	135,406	42,285	163,559	341,251
AVIVA Studios Transition Project	313,581	40,315	325,749	679,645
	<u>5,949,933</u>	<u>4,464,085</u>	<u>9,585,764</u>	<u>19,999,782</u>

Expenditure on charitable activities include £537,521 (2024: £3,524,163) of restricted expenditure.

<i>Charitable activities - prior year</i>	Other Direct Costs	Direct Wages and Salaries £	Support Costs £	2024 £
<i>Festival</i>	3,430,201	1,308,696	2,941,895	7,680,792
<i>Non-Festival Artistic Commissions</i>	3,583,048	1,367,706	3,073,415	8,024,169
<i>Non-Festival Music Presentations</i>	547,762	207,980	469,162	1,224,904
<i>Non-Festival Co-Commissioning & Co-Producing</i>	546,109	208,458	468,433	1,223,000
<i>International Presentations</i>	670,551	200,245	540,588	1,411,383
<i>Digital Commissions & Broadcasting</i>	809,165	147,935	594,165	1,551,266
<i>Creative Engagement</i>	629,490	611,253	770,250	2,010,993
<i>Factory Academy</i>	-	-	-	-
<i>R&D and Curatorial</i>	126,248	42,668	104,862	273,778
<i>AVIVA Studios Transition Project</i>	1,123,134	55,253	731,539	1,909,925
	11,465,707	4,150,193	9,694,309	25,310,209

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.

	Charitable Activities				2025
	Raising Funds £	Festival £	Other Charitable £	AVIVA Studios Transition £	£
Branding / Press and PR	15,356	1,111	400,557	14,130	431,154
Audiences & Ticketing	77,388	5,601	2,018,671	71,210	2,172,871
Governance & Administration	98,454	7,126	2,568,180	90,594	2,764,354
Finance & Reporting	16,877	1,222	440,241	15,530	473,869
People & Culture	18,347	1,328	478,583	16,882	515,141
Systems & Data	38,095	2,757	993,720	35,054	1,069,627
Property Management	89,493	6,478	2,334,438	82,349	2,512,758
	354,009	25,624	9,234,391	325,749	9,939,773

	Charitable Activities				2024
	Raising Funds £	Festival £	Other Charitable £	AVIVA Studios Transition £	£
<i>Branding / Press and PR</i>	18,300	147,937	302,767	36,786	505,790
<i>Audiences & Ticketing</i>	98,082	792,910	1,622,768	197,167	2,710,927
<i>Governance & Administration</i>	77,243	624,440	1,277,978	155,275	2,134,936
<i>Finance & Reporting</i>	34,254	276,912	566,727	68,858	946,751
<i>People & Culture</i>	27,765	224,457	459,373	55,814	767,408
<i>Systems & Data</i>	38,541	311,575	637,668	77,477	1,065,262
<i>Property Management</i>	69,725	563,664	1,153,594	140,162	1,927,145
	363,909	2,941,895	6,020,875	731,539	10,058,218

Where relevant, professional fees and charges and other staff costs are directly attributed to activities in respect of which they were incurred. Otherwise they are apportioned to activities according to estimated usage. Depreciation, running expenses and premises costs are apportioned to activities according to estimated usage.

9 Movement in total funds for the period

Net movements in funds are stated after charging:

	2025	2024
	£	£
Auditors' remuneration:		
Audit services - current year	45,350	45,000
Audit services - prior year	8,541	20,000
Operating lease rentals	-	161,692
Depreciation and amortisation	2,444,658	1,321,862
Foreign exchange (gain) / loss	(11,449)	(5,958)

10 Analysis of staff costs

	2025	2024
	£	£
Wages and salaries	8,479,649	8,263,727
Social security costs	821,675	789,726
Pension costs	301,368	272,300
	<u>9,602,692</u>	<u>9,325,753</u>

Number of employees:

The average monthly head count for permanent and fixed term employees was 210 (2024: 221).

The average monthly fixed term equivalent for casual employees was 30 (2024: 36).

	2025	2024
	No.	No.
The number of staff who had total earnings of more than £60,000 in the following ranges were:		
£ 60,001 - £ 70,000	10	5
£ 70,001 - £ 80,000	1	3
£ 80,001 - £ 90,000	2	-
£ 90,001 - £100,000	1	3
£100,001 - £110,000	1	-
£110,001 - £120,000	1	2
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	1	1
	<u>17</u>	<u>14</u>

	2025	2024
	£	£
Total pension paid for during the reporting period, in respect of the higher paid employees, was:	57,554	54,646

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. Four (2024: Seven) board members received re-imbursed travel expenses of £907 (2024: £2,741).

The key management of the parent charity, Manchester International Festival, comprise the trustees, Chief Executive Officer & Artistic Director, Executive Director, Creative Director, Chief Financial Officer, and Executive Commercial Director.

The total employee benefits of the key management personnel (including pension) for the reporting period of 12 months were £611,338 (2024: £597,525) .

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

12 Tangible Fixed Assets - Group

	Equipment £	Fixtures & Fittings £	Total £
Cost:			
At 1 April 2024	10,044,054	2,379,141	12,423,195
Additions	1,336,120	37,211	1,373,332
Transfers	242,500	(242,500)	-
Disposals	(810,585)	(138,138)	(948,724)
At 31 March 2025	10,812,089	2,035,715	12,847,804
Depreciation:			
At 1 April 2024	1,278,714	323,270	1,601,983
Disposals	(666,655)	(134,959)	(801,614)
Charge for the year	1,827,262	393,913	2,221,175
At 31 March 2025	2,439,320	582,224	3,021,544
Net book value:			
At 31 March 2025	8,372,769	1,453,491	9,826,260
At 1 April 2024	8,765,340	2,055,872	10,821,212

Tangible Fixed Assets - Charity

	Equipment £	Fixtures & Fittings £	Total £
Cost:			
At 1 April 2024	9,432,471	1,498,524	10,930,995
Additions	1,336,250	37,211	1,373,462
Disposals	(810,585)	(138,138)	(948,724)
At 31 March 2025	9,958,136	1,397,598	11,355,733
Depreciation:			
At 1 April 2024	1,189,997	261,816	1,451,813
Disposals	(666,655)	(134,959)	(801,614)
Charge for the year	1,655,554	266,185	1,921,738
At 31 March 2025	2,178,895	393,042	2,571,937
Net book value:			
At 31 March 2025	7,779,241	1,004,556	8,783,797
At 1 April 2024	8,242,474	1,236,708	9,479,182

Intangible Assets - Group	Intangible Assets £	Total £
Cost:		
At 1 April 2024	1,150,323	1,150,323
Additions	108,608	108,608
Disposals	(310,719)	(310,719)
At 31 March 2025	<u>948,212</u>	<u>948,212</u>
Depreciation:		
At 1 April 2024	384,875	384,875
Disposals	(188,741)	(188,741)
Charge for the year	223,483	223,483
At 31 March 2025	<u>419,616</u>	<u>419,616</u>
Net book value:		
At 31 March 2025	<u>528,596</u>	<u>528,596</u>
At 1 April 2024	<u>765,448</u>	<u>765,448</u>

Intangible Assets - Charity	Intangible Assets £	Total £
Cost:		
At 1 April 2024	1,098,123	1,098,123
Additions	98,821	98,821
Disposals	(310,719)	(310,719)
At 31 March 2025	<u>886,225</u>	<u>886,225</u>
Depreciation:		
At 1 April 2024	381,095	381,095
Disposals	(188,741)	(188,741)
Charge for the year	211,982	211,982
At 31 March 2025	<u>404,335</u>	<u>404,335</u>
Net book value:		
At 31 March 2025	<u>481,889</u>	<u>481,889</u>
At 1 April 2024	<u>717,028</u>	<u>717,028</u>

13 Debtors	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Trade debtors	2,244,620	1,644,189	1,246,601	1,135,001
Other debtors	698,909	47,377	1,812,853	3,038
Amounts owed by group undertakings	-	1,484,642	-	3,385,708
Prepayments	2,036,428	1,980,075	244,581	218,938
Accrued income	817,260	599,572	790,624	723,292
Stock	75,646	-	-	-
	<u>5,872,862</u>	<u>5,755,855</u>	<u>4,094,659</u>	<u>5,465,977</u>

14 Creditors: amounts falling due within one year	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Trade creditors	1,301,256	945,891	989,576	964,457
Other creditors	660,491	91,813	548,292	548,292
Amounts owed to group undertakings	-	1,220,614	-	-
Accruals	1,602,744	1,300,250	1,621,489	1,519,036
Deferred income	3,720,949	3,179,304	2,385,532	2,243,420
VAT	773,840	697,073	94,453	2,946
	8,059,280	7,434,945	5,639,343	5,278,152

Included within Other creditors there is a finance lease commitment of £nil (2024: £90,381) of which £nil (2024: £43,177) is due under one year, and £nil (2024: £47,204) is due over one year.

Also included within Other creditors is £52,028 (2024: £50,770) of unpaid pension contributions at the year end.

Deferred income - Group and Charity	Group £	Charity £
At 1 April 2024	2,385,532	2,243,420
Amount released in the period	(5,617,024)	(5,049,591)
Amount deferred in the period	6,952,442	5,985,475
At 31 March 2025	3,720,949	3,179,304

Deferred income - prior year:

	Group £	Charity £
At 1 April 2023	565,226	565,226
Amount released in the period	(1,535,208)	(1,508,708)
Amount deferred in the period	3,355,513	3,186,902
At 31 March 2024	2,385,532	2,243,420

The funds are deferred when the charity or its subsidiaries receives funds but do 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 subsidiaries.

15 Provision for liabilities

Following the Alternative Dispute Resolution in December 2024 that ruled in favour of the Charity in its dispute with HMRC regarding the classification of some of the Charity's activities as non-business, the Charity was due a repayment from HMRC. The whole repayment was received by the end of March 2025. Consequently the provision for VAT liability of £129k was not required any longer.

16 Analysis of movement in funds - Group	Movement in Funds				Balance at 31-Mar-25 £
	Balance at 31-Mar-24 £	Net incoming resources £	Net outgoing resources £	Transfers £	
Analysis of unrestricted funds movements:					
Unrestricted Funds	13,376,220	24,918,886	(25,200,704)	-	13,094,402
Analysis of restricted funds movements:					
Restricted Funds	270,023	425,000	(557,032)	-	137,991
	<u>13,646,243</u>	<u>25,343,886</u>	<u>(25,757,736)</u>	<u>-</u>	<u>13,232,392</u>
	Balance at 31-Mar-23 £	Net incoming resources £	Net outgoing resources £	Transfers £	Balance at 31-Mar-24 £
Analysis of unrestricted funds movements:					
Unrestricted Funds	6,429,187	30,548,244	(27,387,883)	3,786,672	13,376,220
Analysis of restricted funds movements:					
Restricted Funds	7,352,914	273,341	(3,569,560)	(3,786,672)	270,023
	<u>13,782,101</u>	<u>30,821,585</u>	<u>(30,957,443)</u>	<u>-</u>	<u>13,646,243</u>

Transfer of funds between restricted and unrestricted is equivalent to the value of fixed assets (tangible and intangible) acquired during the 12-month financial period to March 2024. The assets were purchased from a restricted funding agreement with MCC. As the assets are held for a general and not a restricted purpose, the restriction on the funding was released when the assets were purchased.

17 Outline summary of restricted fund movements

Fund Name	Fund Balances Brought Forward	Income	Expenditure	Transfer	Fund Balances Carried Forward
	01-Apr-24				31-Mar-25
	£	£	£	£	£
Arts Council - Under the Radar	51,908	99,000	123,839	-	27,069
EFF - Creative Engagement Grant	83,525	100,000	138,823	-	44,702
EFF - Reinventing Performing Arts Grant	23,565	-	-	-	23,565
The Paul Hamlyn Foundation	6,258	-	6,258	-	-
Reframe	15,761	25,000	(1,895)	-	42,656
Bloomberg LP Grant	89,006	-	89,006	-	-
Individual Grant - Factory Sounds	-	1,000	1,000	-	-
AVIVA Charity Trust	-	200,000	200,000	-	-
	270,023	425,000	557,032	-	137,991

Name of restricted fund	Description, nature and purpose of the fund
Arts Council - Under the Radar	Showcasing the UK artists at the Under the Radar festival in New York
Arts Council - The Factory grant	NPO Funding for delivery of MIF/The Factory Business Plan, including the MIF Festival activities. At the end of each financial year a transfer from restricted to unrestricted funds equivalent to the value of capital assets acquired is made.
EFF - Creative Engagement Grant	A five-year programme that transforms how people access, engage and benefit from the arts with three new approaches: creating a grassroots ambassador programme (Community Advocates), building more equitable partnerships with local organisations (Community Contracts) and developing useful skills for residents (a co-designed skills programme).
EFF - Reinventing Performing Arts Grant	Reinventing Performing Arts programme of work that is split across Digital (content and creation) and Talent Development strands.
The Paul Hamlyn Foundation	A four-year programme of community-led curation building on some of previous MIF successful models including public forums, co-curation, participatory commissions and digital innovation
Reframe	To support the development of young Black creatives as part of a national career acceleration programme co-ordinated by the Southbank and supported by Apple.
Bloomberg LP Grant	Funding for a Digital Accelerator programme that aims to help visitors navigate the new venue using digital screens and other tools.
Kickstart Grant	Funding helping MIF as an employer to create jobs for 16-24 year olds on Universal Credit

Outline summary of restricted fund movements - prior year

Fund Name	Fund Balances Brought Forward	Income	Expenditure	Transfer	Fund Balances Carried Forward
	01-Apr-23				31-Mar-24
	£	£	£	£	£
Arts Council - Under the Radar	93,213	(30,000)	41,305	30,000	51,908
Arts Council - The Factory Grant	6,888,786	-	3,072,114	(3,816,672)	-
EFF - Creative Engagement Grant	71,583	100,000	88,058	-	83,525
EFF - Reinventing Performing Arts Grant	23,565	-	-	-	23,565
The Paul Hamlyn Foundation	54,118	68,841	116,701	-	6,258
Reframe	21,649	24,500	30,388	-	15,761
Bloomberg LP Grant	200,000	80,000	190,994	-	89,006
Granada Foundation Grant	-	10,000	10,000	-	-
Backstage Trust Grant	-	20,000	20,000	-	-
	7,352,914	273,341	3,569,560	-3,786,672	270,023

Analysis of net assets between funds - Group

31-Mar-25

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible	9,826,260	-	9,826,260
Intangible	528,596	-	528,596
Investment	-	-	-
Current assets	10,798,826	137,991	10,936,817
Current liabilities	(8,059,280)	-	(8,059,280)
Provision for liabilities	-	-	-
	13,094,402	137,991	13,232,392

Analysis of net assets between funds - Group

31-Mar-24

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible	10,821,212	-	10,821,212
Intangible	765,448	-	765,448
Investment	-	-	-
Current assets	7,558,273	270,023	7,828,296
Current liabilities	(5,639,343)	-	(5,639,343)
Provision for liabilities	(129,370)	-	(129,370)
	13,376,220	270,023	13,646,243

Analysis of net assets between funds - Charity

31-Mar-25

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible	8,783,797	-	8,783,797
Intangible	481,889	-	481,889
Investment	3	-	3
Current assets	10,298,447	137,991	10,436,438
Current liabilities	(7,434,945)	-	(7,434,945)
Provision for liabilities	-	-	-
	12,129,191	137,991	12,267,182

Analysis of net assets between funds - Charity

31-Mar-24

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible	9,479,182	-	9,479,182
Intangible	717,028	-	717,028
Investment	3	-	3
Current assets	7,909,516	270,023	8,179,539
Current liabilities	(5,278,152)	-	(5,278,152)
Provision for liabilities	(129,370)	-	(129,370)
	12,698,208	270,023	12,968,231

18 Share Capital

The charitable company is limited by guarantee and has no share capital. The liability of the members is limited. In the event of the charitable company being wound up, the liability of the members in respect of their guarantee is limited to £10. The members' liability applies during the time they are 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.

The wholly owned subsidiary Factory Academy Limited is limited by shares. Its share capital is £1.

The wholly owned subsidiary Factory International Trading Services Limited is limited by shares. Its share capital is £1.

19 Taxation

The Charity is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising. Given this, no tax charge arises on the charity.

The Group benefits from a tax refund of £429,678 (Charity, 2024: Nil) and £634,539 (MIF Productions, 2024: £1,568,172) in respect of losses the Charity and MIF Productions incurred during the year in the course of delivering qualifying productions.

20 Operating lease commitments

	Land & Buildings 31-Mar 25 £	Office Equipment 31 Mar 25 £	Land & Buildings 31-Mar 24 £	Office Equipment 31 Mar 24 £
Total of non-cancellable operating leases payments for the following periods:				
not later than one year	-	-	-	52,575
later than one year and not later than 5 years	-	-	-	-
	-	-	-	52,575

21 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 12 months to March 2025, the pension contributions charged to the accounts totalled £302,776 (£272,300 for the 12-months ended 31 March 2024).

Pension contributions of £52,028 were due to Scottish Widows at balance sheet date (2024: £50,770)

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

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

MIF receives grant funding from Greater Manchester Combined Authority (GMCA), which is disclosed in note 2 as 'Other Public Funding Grants (inc. ALBs)'.

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 is a 100% wholly owned subsidiary of Manchester International Festival. At the balance sheet date, there was £665,385 (2024: £1,774,476) due to MIF from MIF Productions.
This is resulting from the intercompany transactions related to the delivery of production,

Factory Academy Limited is a 100% wholly owned subsidiary of Manchester International Festival.
At the balance sheet date, there was £117,158 (2024: £455,999) due to MIF from Factory Academy Limited.
This is relating to intercompany transactions related to general expenditure.
Income recharges to MIF relating to fulfilment of services of Aviva Naming Rights and Law Foundation agreements £511,428 (2024: £589,690)
Cost recharges from MIF relating to general expenditure and resources £282,595 (2024: £415,937)

Factory International Trading Services Limited is a 100% wholly owned subsidiary of Manchester International Festival.
At the balance sheet date there was £531,158 (2024: £1,155,232 due to MIF) due from MIF to Factory International Trading Services Limited.
Income recharges to MIF relating to fulfilment of services of Aviva Naming Rights agreement £670,000 (2024: £1,343,463)
Cost recharges from MIF relating to general expenditure and resources £1,743,638 (2024: £1,245,496)

23 Derivatives

The charity has receivables in foreign currencies which are held by a third party.
The charity does not purchase forward foreign currency contracts to manage its foreign exchange risk.
No derivatives (2024: £Nil) were held at the balance sheet date.
At the balance sheet date, the charity had £82,793 (2024: £327,552) in foreign currencies.

24 Investments

MIF invested £1 in its subsidiary, MIF Productions (Registration number: 09308388, registered address: AVIVA Studios, Water Street, Manchester, M3 4JQ). The company delivers production, running and closure of productions presented at the MIF Festivals.

The turnover in the year to March 2024 was £2,863,122 (2024: £4,744,464), as the company was contracted by Manchester International Festival to deliver production, presentation and closure of the shows eligible for theatre and orchestra tax relief. The loss on ordinary activities before tax for the 12 months to March 2025 was £681,219 (2024: £1,604,171). The company made a loss after tax of £29,687 (2024: £35,998 loss). At the balance sheet date, net assets were £4,457 (2024: £34,144).

MIF invested £1 in its subsidiary, Factory Academy Limited (Registration number: 12978506, registered address: AVIVA Studios, Water Street, Manchester, M3 4JQ). The company delivers the programmes of skills and training to young adults that addresses the skills gaps within the Cultural sector.

The turnover in the year to March 2025 was £735,006 (2024: £944,614).

The profit on ordinary activities after tax for the 12 months to March 2025 was £230,211 (2024: £169,933).

At the balance sheet date, net assets were £215,230 (2024: (£14,646)).

MIF invested £1 in its subsidiary, Factory International Trading Services Limited

The turnover in the year to March 2025 was £3,920,008 (2024: £2,975,717)

The profit on ordinary activities before tax for the 12 months to March 2025 was £86,675 (2024: £658,519)

At the balance sheet date, net assets were £750,739 (2024: £658,520)

Manchester International Festival had no funds invested in two-year deposit accounts at balance sheet date (2024: £Nil).

25 Commitments

The charity had capital commitments of £89,786 for capital projects at the year-end, which were not reflected in the balance sheet for the period ended March 2025 (2024: £115,373)

Saffery LLP
71 Queen Victoria Street
London
EC4V 4BE

11 December, 2025

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of Manchester International Festival for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial position of Manchester International Festival in accordance with The Charities Act 2011, The Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

1. We have as trustees fulfilled our responsibility, as set out in the terms of your engagement for preparing financial statements in accordance with The Charities Act 2011, The Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) which give a true and fair view of the financial position of the charity as of 31 March 2025 and of the results of its operations and its cash flows for the year then ended and for making accurate representations to you.
2. The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.
3. We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
5. Related party relationships and transactions have been appropriately accounted for and disclosed and we are not aware of further related party matters that require disclosure.
6. All events subsequent to the date of the financial statements and which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or included in the financial statements.
7. The financial statements are free of material misstatements, including omissions.

8. That, having considered our expectations and intentions for the next twelve months, and the availability of working capital, the charity is a going concern. That our plans for future actions required to enable the charity to continue as a going concern are feasible. That the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.
9. We confirm that there were no contractual commitments for capital expenditure, for work ongoing at the year end or occurring post year end, requiring disclosure within these financial statements.

Information provided

10. All accounting records and relevant information have been made available to you for the purpose of your audit of the financial statements. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have determined it necessary to obtain audit evidence. All other records and related information including minutes of all management and Trustee meetings have been made available to you.
11. All transactions undertaken by the charity have been recorded in the accounting records and are reflected in the financial statements.
12. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves management, employees who have a significant role in internal control, or others, where fraud could have a material effect on the financial statements.
14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
15. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
16. We confirm that we have disclosed to you the identity of the entity's related parties and all related party relationships and transactions relevant to the charity that we are aware of.
17. The charity has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
18. There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.
19. The charity has at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans or credit transactions) for directors, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.
20. Grants and donations

All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions during the period in the application of such income.

21. Legacies and similar sources of assets

Notifications of legacies and similar sources of assets have been monitored, and all such assets have been recognised in accordance with the recommendations of the SORP on charity reporting.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully,



Moira Sinclair (Dec 11, 2025 12:17:25 GMT)

.....
Signed on behalf of the Board of Trustees of Manchester International Festival

11/12/2025
Date.....

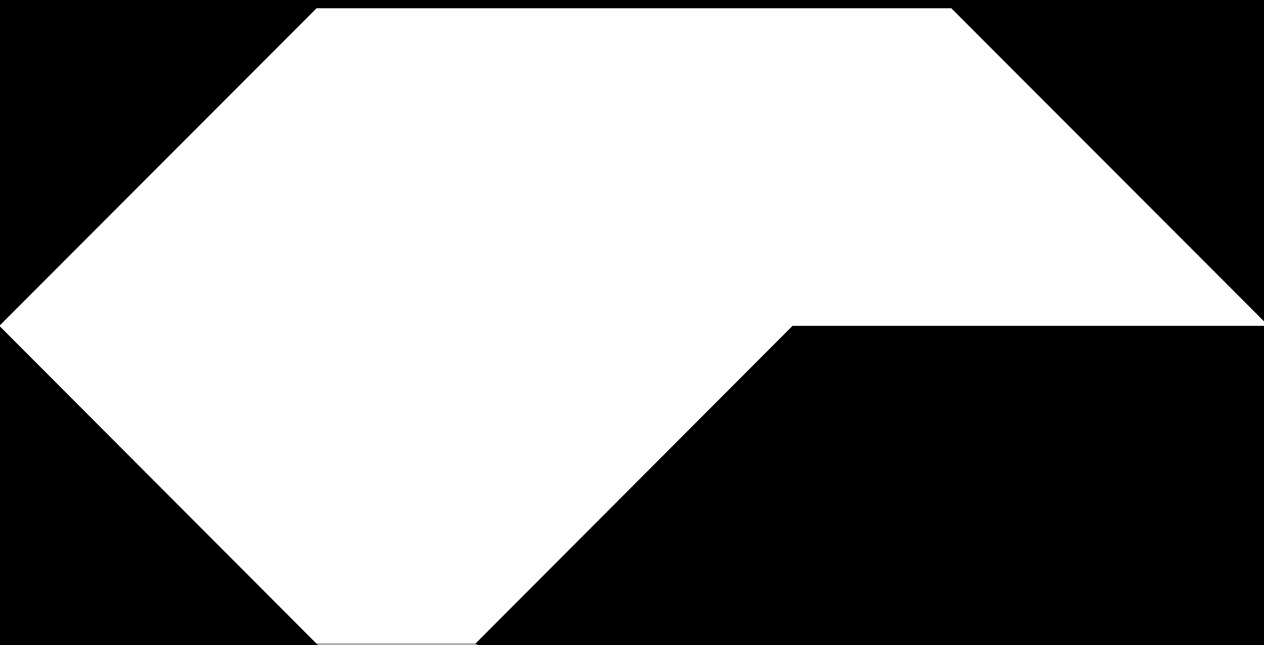
MANCHESTER INTERNATIONAL FESTIVAL

England & Wales - Charity number 1113902

Accounts

factory
international

TRUSTEE REPORT AND FINANCIAL STATEMENTS



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TRUSTEES' ANNUAL REPORT

The Trustees are pleased to present their annual report, which is also prepared to meet the requirements of a directors' report for Companies Act purposes, together with the audited consolidated financial statements of the charity and its trading subsidiaries for the year ending 31 March 2024 which are also prepared to meet the requirements for a directors' report, strategic report and accounts for Companies Act purposes.

Manchester International Festival (MIF) (trading as Factory International (FI)) is a charity registered with the Charity Commission under registration number 1113902. Its purposes are to promote, maintain, improve, develop, and advance public education by the encouragement of the arts. Factory International is the name of the company that runs the venue AVIVA Studios and the biennial event Manchester International Festival, in addition to other activities as noted below. This change in trading name was made in September 2022.

Arts include music, opera, dance, singing, literature, and visual arts, and their promotion through the holding of festivals of culture, ideas, and creativity.

Factory Academy Limited, registered under company number 12978506, is our programme for delivering training for individuals looking to succeed within the creative and cultural industries, with the aim of diversifying the workforce in these sectors.

MIF Productions Limited, registered under company number 09308388 undertakes contracts for delivery of dramatic productions, orchestral performances, and art exhibitions.

Factory International Trading Services Limited (FITS) is registered under company number 14556931. The principal activities of the company are brand partnerships and corporate sponsorships including the naming rights of the venue, hire of the venue for 3rd party commercial and music events, sale of merchandise through the Factory International shop and commission received through food and beverage sales.

OUR VISION AND MISSION STATEMENT

As an arts organisation we have a simple but ambitious vision:

To Invent Tomorrow Together.

Our vision speaks directly to our mission:

Through art, music and culture, and in digital and physical spaces, we focus our activities on creating the meeting points between imagined futures and real lives.

OUR VALUES

In setting our programmes we are guided always by our organisational values – **open, equitable, inventive, international, and determined.**

We consider the positive impact that our activities will have for our audiences and local communities. We consider and measure impacts such as life outcomes, re-engagement with the cultural sector and the equitable representation of our beneficiaries in terms of ethnicity, gender, sexuality, disability and social mobility.

Our commitment to being equitable extends across all areas of our organisation and includes our frameworks around decision-making, our artistic programming, and our workforce. Through a range of targeted initiatives, we focus hard on creating an organisational culture that is open and welcoming for our workforce, our community participants, and artists.

We also consider our local impact in terms of the environment and supply chain. Where possible, we seek to locally source labour, goods, and services to maximise the impact of our activities in the Greater Manchester economy.

We continue to make sector-wide interventions as members of Greater Manchester Arts Sustainability Team (GMAST), committing to ambitious sustainability targets across our artistic delivery, including our international work, making visible our green credentials and working with partners to extend our knowledge and share our expertise.

We actively support and advocate for greater accessibility provisioning in the creative sector for both audiences, artists and those working within it. Our own internal production pathways embed accessibility deliverables, and we have a range of resources to support our producers in holding conversations with artists and creative teams around embedding a consistent baseline of accessibility provision (including captioning, BSL interpretation, audio description and relaxed performances) into their commissions.

ACTIVITIES

Factory International undertakes a number of activities for the public benefit that can be broadly categorised into the following programmes:

Manchester International Festival: a biennial 18-day event taking place across the city that engages communities, audiences and the public in a variety of events and public installations.

Physical and Digital Commissions: newly commissioned artistic productions that showcase the work of local and international artists for both digital and physical audiences, with a particular emphasis on supporting artists from under-represented groups. With the opening of AVIVA Studios in October 2023, Factory International now runs a year-round programme balancing artistic commissions and commercial programming.

Operational readiness ahead of and following venue opening: substantial work was undertaken to enable the building to host MIF23, and for the official opening of AVIVA Studios, a generation-defining year-round venue, in October 2023. FI worked to refine processes and use of the building as soon as operations could be tested and experienced in practice. This included resolution of outstanding works post October 2023. The new building represents the largest investment in a national cultural project since the opening of Tate Modern in 2000 thanks to initial HM Government investment and backing from Manchester City Council and Arts Council England.

As at the end of March 2024, FI was operating the building under a license agreement with a view to taking on the lease. However there was still works outstanding at that date, thereby preventing achievement of practical completion, but all expected to be achieved within a reasonable timeframe. It is fully anticipated that the lease will be entered into within the current reporting period (ending March 2025). At the date of signing of the accounts in December 2024 the lease is close to being finalised.

Digital Broadcasting: live and on-demand performances broadcast to digital audiences on our own platform.

Digital Innovation and R&D: research and development into new digital technologies for use in our own commissions and for the wider benefit of the sector.

Internationally Toured Productions: an extensive international programme that combines presenting our new commissions with international co-producers, extensively touring this commissioned work further afield and licensing international versions of our projects.

Public Programme: an all-year series of largely free to access events that will enliven the building and attract wider audiences to the artistic programme.

Public Engagement: a wide-reaching programme of engagement, learning, participation, community building and co-designed activity that prioritises activity with residents under-represented in the arts and cultural sector.

Factory Academy: training and skills experiences that are developed side by side with creative pioneers and industry experts to address skills gaps in the sector and increase opportunities for

under-represented groups. Other education initiatives that respond to external fundraising and philanthropic support for support of learning development within the creative sector.

With the opening of our venue AVIVA Studios, our scope of charitable activities has broadened as planned to include:

Live Music: a combined programme of events delivered in partnership with commercial music promoters, or own-produced events.

Supporting our charitable activities, we also undertake commercially focused activities that include:

Commercial Events and Partnerships: working with clients and partners to develop an ambitious programme featuring exhibitions, premieres, and branded experiences. Additionally, building partnerships to raise investment in our digital innovation, Intellectual Property, and education initiatives. FI has also been involved in merchandising and received commissions from food and beverage sales.

STRATEGIC AIMS

Factory International has brought global attention to Manchester's cultural scene, particularly with the opening of AVIVA Studios, a world-class venue that fosters artistic expression and community engagement. Alongside Manchester International Festival, this has enhanced the city's reputation as a global cultural hub while making the arts more accessible.

Central to our mission is empowering local residents through co-curation and skills development. Factory Academy has significantly impacted employability, offering training that equips individuals with the tools to succeed in creative industries, enhancing life prospects.

Our commitment to community engagement is reflected in initiatives like *The Welcome*, a celebration of Manchester's rich diversity. Residents were invited to shape cultural programming, making their voices central to the experience. Other highlights include *Free Your Mind*, a reimagining of *The Matrix*, which offered an immersive, audience-driven experience. Factory International, through both AVIVA Studios and the Manchester International Festival, continues to empower and inspire artists and communities alike.

Our strategic plan for this critical transitional period and beyond (2022 – 2026) is built around three strategic aims that align with our vision to **Invent Tomorrow Together**.

INVENT: To develop new models for thinking about, bringing to life and distributing creative work – through digital experimentation, commercial partnerships, social enterprise and international collaborations.

TOMORROW: To create and deliver new possibilities for employment, training and learning, with a focus on equity for those currently under-represented in our sectors.

TOGETHER: To establish our venue as a sustainable, open and far-reaching space for creative exploration and production, loved locally and celebrated internationally.

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

The Trustees confirm that they have complied with their duty as set out 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 when planning the activities of the charity.

WHAT WE DID: ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

As a large charity and with several different programmes of activity, the following provides only a summary of the key highlights and achievements of what were delivered over the twelve months from 1 April 2023 – 31 March 2024.

ARTISTIC PROGRAMME

Within this financial year, we successfully delivered both the 2023 iteration of Manchester International Festival (MIF23) and, with the official opening of our venue in October 2023, began our year-round artistic programme at our new home, AVIVA Studios.

MIF23 opened with our largest and most commercially successful show to date, as Yayoi Kusama's *You, Me and the Balloons* became the inaugural production in the vast warehouse space at AVIVA Studios. Over 125,000 tickets sold across the Festival, with key Festival highlights including contemporary queer opera *The Faggots and their Friends Between Revolutions*; a city wide treasure hunt by artist Ryan Gander with *The Find*; a powerful mediation on the creative process in *Find Your Eyes*, by Manchester's Benji Reid; and a moving mixed reality concert by the late composer Ryuichi Sakamoto in *KAGAMI*. Plus, Festival Square saw 80,000 visit its new home by the River Irwell.

In October 2023, we premiered our official opening production, *Free Your Mind*, a bold large-scale reimagining of *The Matrix* from Danny Boyle, Es Devlin, Kenrick 'H2O' Sandy and Michael 'Mikey J' Asante (co-founders of Boy Blue) and Sabrina Mahfouz. Showcasing the full potential of the spaces at AVIVA Studios, the critically acclaimed production was also recorded by the BBC and broadcast on BBC2 on New Year's Eve, with 190,000 people watching the broadcast live or on iPlayer within its first seven days of release.

November 2023 saw *The Welcome* take over every space at AVIVA Studios with a diverse programme of performances, workshops and events co-curated by Factory Assembly – a group of 22 Manchester residents aged 17-70 who were handed decision-making power over a two-year period to curate a celebration of the city and its people.

We produced the world premiere of *Lost and Found*, an adaptation of Oliver Jeffers' much loved book as a family show over the festive period, and the UK premiere of Robert Wilson's *Jungle Book* – a bold visual take on the classic story.

We began our new venue-based live music programme with a number of high-profile artists performing at AVIVA Studios for the first time including Johnny Marr, Children of Zeus, Sampha and a series of gigs in the Festival with Angélique Kidjo, John Grant, Afrodutsche and Alison Goldfrapp, laying a strong foundation as an important new venue for live music in the city.

We programmed a short season of work across February and March 2024 responding to urgent themes in the world, including a three-day building-wide microfestival by art-activist collective Hard Art and political theatre shows from artists from South Africa and Syria.

Our work at the venue was expanded to include digital and virtual commissions. These featured an online video game by artist Danielle Braithwaite Shirley titled *I Can't Follow You Anymore*, as well as

Factory Settings, an augmented reality platform that invites audiences to engage with virtual artworks. This platform allowed visitors to immerse themselves in experiences through interaction and play.

AVIVA STUDIOS – CAPITAL BUILD & TRANSITION

The Factory International name was secured and trademarked, and a headline naming right sponsor engaged, confirmed in June 2023 as AVIVA in consultation with the Board of Trustees.

Despite challenges with the build and completion schedule, the doors of AVIVA Studios were opened to the public on 30 June 2023. With the official opening taking place on 18 October 2023, this initial period was designated a 'soft opening', enabling works to continue and testing of elements of the building operation throughout the summer.

The official opening centred on the World Premiere of *Free Your Mind*, conceived by director Danny Boyle, Boy Blue, Es Devlin and Sabina Mahfouz to celebrate the scale and flexibility of the new space.

Across the first weekend of the opening campaign (18 Oct – 23 Oct) the campaign delivered over 900 items of news coverage, inclusive of 653 National pieces, 119 Local and 155 International. *Free Your Mind* received an extremely positive response, with a high number of four and five star reviews including The Guardian, The Times, The Telegraph and the Manchester Evening News. The flexibility of Aviva Studios was mentioned in many reviews and a repeated word to describe the show has been 'triumph' with The Observer describing it as "a triumphant beginning for a new artistic endeavour."

Over that weekend, Factory International featured in 573 items of coverage online and in print and 352 items of broadcast coverage, with highlights including BBC Breakfast, BBC Radio 5 Live, BBC Radio 4 (Today Programme), LBC, Hits Radio, and BBC News at 6 and 10 - plus bulletin news items on BBC Radio 2, BBC Radio 3, BBC Radio 6 Music, and around 50 regional stations across the UK from Cornwall to Orkney.

From September to November 2023, in the lead up to and immediately following the official opening of Aviva Studios, there were over 1,500 mentions of Factory International and Aviva Studios in the press across 39 countries. Approximately 27% of the coverage was published internationally with 15% of the coverage coming from the USA including a review of the venue's opening show *Free Your Mind* in the New York Times. Local media accounted for around 17% of coverage with BBC Radio Manchester and the Manchester Evening News covering the venue and opening programme more than any other outlet.

Post-opening it became apparent that FI would need to create down-time to enable final works to be completed on the large acoustic doors that separated the Hall and Warehouse spaces. This feature is integral to the design concept and creative flexibility of the venue and underpins the business model.

To accommodate these works, the Hall was decommissioned for a period of 10 weeks starting in January 2024. Artistic programming was reconfigured at short notice impacting on income generation from the commercial events/hires and music programme and a compression of the commissioned artistic programme into the March – June 24 period.

FI entered into a Food & Beverage partnership with Super Serve, a new company backed by Solitaire Holdings & Square One Events under the direction of Factory International Trading Services. Disruption to public opening hours, reductions in programmed activity, especially music as noted above, has affected the profitability of Super Serve and reduced the commission payments due to FI.

The outsourced security provision through FGH Security has been working well. The lack of completion of the venue's access control systems resulted in manual workarounds and greater people deployment than forecast with resulting increased security costs across the year.

Negotiations commenced with Manchester City Council (MCC) around a contribution to 'Delay Costs' to help mitigate the increased operational costs due to the delay in Practical Completion.

BROADCASTING

Our broadcast offer included streaming events from the Festival alongside national partnerships with media partners like the BBC. During the MIF23, we showcased local musicians, attracting an online audience of 5,933 and we captured Maxine Peake and Sarah Frankcom's theatre production, *They*, later screening it both online and in person, which allowed us to test a new model for distribution and exhibition. Our major broadcasts were in partnership with the BBC and included *Free Your Mind*, a co-production with Warner Bros which premiered on New Year's Eve on BBC 2, as well as *Imagine* with Alan Yentob, which followed the opening of the AVIVA Studios and premiered on BBC 1. Collectively, these broadcasts reached approximately 695,933 views (at a minimum) after the first weeks of being online. *Free Your Mind* will remain on iPlayer until December 2024.

DIGITAL INNOVATION AND R&D

The Digital Research & Development team focused on infrastructure development and content for the visitor experience, this included equipment purchases like a connected signage and media wall system. Between October 2023 and March 2024, the media wall has been tried and tested to understand what works best on the screen for users: we have tested VR experiences, AI interactive works, stills and moving image works. Alongside this, training and templates were created for the signage system and this was shared amongst design and digital teams with training for front of house to follow. This research is to be evaluated as part of the wider review and analysis of the front of house experience.

INTERNATIONAL

Factory International's role as a leading global arts organisation has continued with significant numbers of international producers and presenters visiting AVIVA Studios, both during MIF23 and since the official opening. 145 guests attended International Weekend (29 June – 2 July) during the opening weekend of MIF23 and we have continued to receive guests from every continent except Antarctica.

We secured over £400,000 in co-commission income for MIF23 projects, with international partners from Europe, North America and Asia supporting *The Faggots and Their Friends Between Revolutions*, *Find Your Eyes*, *R.O.S.E.* and *This Entry*.

Beyond Manchester, productions commissioned or co-commissioned by Factory International have been seen in the United States of America, Australia, Hong Kong, Chile and 11 countries across Europe; this includes MIF23 productions (*The Faggots and Their Friends Between Revolutions* was seen at Festival d'Aix-en-Provence, Bregenzer Festspiele and the Southbank Centre during this period and *Find Your Eyes* at Internationaal Theater Amsterdam) but also works from MIF17 (*What is the City but the People?*) and MIF19 (*Thank You Very Much*, *Maggie the Cat*, *Atmospheric Memory*, *Tao of Glass*) which continue to tour. In total, over 100,000 people saw an FI show outside of Manchester during this year.

We also continued our partnership with Under the Radar Festival in New York, supporting the presentation of two English productions at Lincoln Center for the Performing Arts, and initiated a new partnership with the British Council to support high-potential future leaders from ODA countries in growing their international networks. This initiative is intended to complement our existing International Producers Training Programme which took place in Australia this year.

PUBLIC ENGAGEMENT

Central to Factory International's mission is the need to reflect our ambitions in our civic offer, including our community building, engagement and creative learning opportunities. The opening of the building involved the people of Greater Manchester in a number of varied and unique projects.

Over 100 Greater Manchester residents participated in *Free Your Mind* in October 2023. This was closely followed by *The Welcome* in November – a co-curated programme of work developed over two years with 22 Greater Manchester residents. The programme saw ticketed events, such as Cirque Kalabante, alongside free performances from local talent from across the region and new participatory work, such as *Deep Flow*, an immersive performance piece focusing on wellbeing and created with Company Chameleon. The programme was a huge success, welcoming over 11,000 visitors over nine days – 35% of visitors identified as Global Majority and more than half of visits were made by under 35-year olds.

Our community-building programmes continue to expand and develop with eight new Neighbourhood Organisers recruited to work between March and December 2023 covering areas from Rochdale to Moss Side, with 60% of our organisers being female and 50% from the Global Majority. Neighbourhood Organisers contributed to the recruitment of new front of house roles, as well as sharing £3 and free tickets with communities around Greater Manchester. This year also saw us work with our first four Community Partners in Wythenshawe, Ardwick, Salford and Eccles through a £10,000 partnership. This programme develops deep place-based relationships with charitable venues around the city helping us to support arts and community initiatives around the region in a meaningful and sustained way over twelve months.

Factory International Schools continued to grow, partnering with five secondary schools across Greater Manchester, including a Special Educational Needs and Disability school. We worked with 181 young people in Year 8 and 9, unlocking creativity and enhancing learners' well-being. Artist Facilitators were embedded in each educational setting on a weekly basis, working with the same young people across the course of the programme building deep relationships with young people, educators and the school community. We partnered with The University of Manchester and [BeeWell](#) to support the evaluation of the programme who will be publishing a report detailing the impact on participant wellbeing.

FACTORY ACADEMY

During the reporting period, Factory Academy offered free courses to 287, which contributes to what is now over 1000 Greater Manchester residents wanting to start a career in the creative industries with enthusiastic talent that represents the diversity of our city.

2023/24 was a time of innovation for Factory Academy, launching three new courses: Intro to Producing, Foundations in Freelance and Future Cultural Leaders. Over the year we ran 14 courses and 97% of students surveyed would recommend Factory Academy to a friend. Delivering on the organisation's ambitions to diversify the future of the sector, **80% of Factory Academy graduates** declared a characteristic that was underrepresented in the industry.

2023/24 saw many students begin to realise their ambitions and achieve personal and professional goals, from securing funding to realise creative projects and gaining their first producing credit to kickstarting their freelance stage management career and embarking on producing and cultural learning and participation apprenticeships. Students went onto secure employment at music, arts and cultural organisations across the city and wider region including Co-op Live, Studio Lambert, Things That Go On Things, Rochdale Development Agency, Science and Industry Museum, Rio Ferdinand Foundation, Manchester Youth Zone, DNG and Odd Arts to name a few. Factory Academy continue to develop pathways which lead to paid opportunities in the creative and cultural sector with 60% of students securing paid opportunities which are aligned to their ambitions

The success of the initiative has been recognised nationally with Factory Academy awarded Training Initiative of the Year and Large Employer of the Year at the 2024 British Training Awards.

What our students say:

'It was one of the best course experiences I have had. The vocational experience was highly beneficial, and many courses lack this. It provides another level to the learning experience, allowing you to apply your knowledge and skills, consolidating the theory and learnings from the course.'

OTHER ACTIVITIES AND ACHIEVEMENTS

Across the 12-months of April 2023 – March 2024, the organisation continued its transformation into a venue-based arts organisation. As such, other major strands of essential strategic planning-led activities continued to take place.

PHILANTHROPY

Philanthropy plays an important role in providing a sustainable increase in fundraising income and building lasting fundraising engagement infrastructure to support the organisation's long-term plans and ambitions.

During this financial year we secured a total of £480,458 from Individual giving and Trusts and Foundations.

This represented a 15% increase on the previous year. Notably, during this year we secured a number of gifts over £50,000 from established Trusts including; Esmée Fairbairn Foundation, Paul Hamlyn Foundation and Bloomberg Philanthropies. Support from Greater Manchester Combined Authority has also enabled us to make significant impact within the region.

Factory International's Philanthropy team are specialist fundraisers who drive income growth from key income generation areas. They are: individual donations at the small, mid-level giving and major gift level, and through established Trusts and Foundations.

During this year, a new Director of Fundraising was appointed who oversees the Fundraising Strategy and operational plan. Key to this is ensuring exemplar stewardship, compelling engagement opportunities and presenting our fundable programmes to a diverse donor community.

The new venue offers greater visibility of our charitable status and purpose as we prioritise growing our pipeline of supporters with in-venue messaging and opportunities to give. During the year, we introduced Factory International's new Chair to our community of partners and supporters as part of the Women of the World Festival at AVIVA Studios.

As our artistic programme activity increases in New York City, we began seeking advice from notable supporters and partners based in New York (or with connections in the city) to explore the potential to build a USA supporter base.

Our approach to fundraising is guided by a commitment to ethical, transparent and responsible practices that uphold the trust of our supporters and the broader public.

We aim to raise funds internally without relying on third-party agencies, ensuring our methods align with our organisational values and maintain our reputation.

We do not use general solicitation techniques by telephone or door-to-door, and all activities comply with the Fundraising Regulator's Code of Fundraising Practice. No complaints about fundraising were received during the year.

BRAND PARTNERSHIPS AND CORPORATE SPONSORSHIP

In 2023/24 we seized the opportunity to re-strategise, and refocus the Brand Partnerships and Corporate Sponsorship team. It was clear that there was a necessity to grow our brands and businesses pipeline beyond the heartland of Greater Manchester where supporters had been retained historically from Manchester International Festival.

The ambition was to find and enable a roster of national and international brands to join us in partnership. A Head of Brand Partnerships and Corporate Sponsorship was recruited in January 2024 and the team were further defined into a sales function, to concentrate on the task of securing revenue, and an account management function focused on delivering the growing task of delivering rights and benefits to our partners. Salespeople were given a clear remit of categories and opportunities and a strategy to maintain our valuable and respected local partners, and to also outreach in sectors where we would find new partners. We developed a new suite of core opportunities such as naming rights of The Warehouse in collaboration with Oak View Group and MCC, category partnerships such as (sports) fashion, tech, priority ticketing, partnerships to power our current work such as Communities and Learning, Manchester International Festival and music and programme opportunities. Sales decks were redesigned and a rights and benefits tiered table was created for smaller partnerships consistency, with a more bespoke approach to bigger £100k plus partnerships.

The account management team delivered rights for 30 partners during this period, the most remarkable of which is the landmark AVIVA partnership. During the course of this period the team delivered the agreed signage on the building and brown signs throughout Greater Manchester, helped our building management team build the AVIVA Lounge in AVIVA Studios, shot a drone video which has achieved 20k+ views on social channels, and devised the AVIVA Creative Careers Unlocked course with Factory Academy and Creative Learning. The team delivered 9 smaller events and booked 412 tickets for AVIVA staff amongst a host of other initiatives such as British Insurance Brokers' Association (BIBA) developed volunteering opportunities for the AVIVA teams, and over 20,000 £10 tickets, distributed since the AVIVA scheme began.

BUSINESS PLANNING

Factory International's Strategic Business Plan (drafted December 2021) covers this period, up to March 2026.

During this financial period, Factory International has continued to develop and revise its business planning and reporting to cover the scope of its work over the next three years. Due to changes to the scheduled opening date of AVIVA Studios, the budget for the financial opening year (2023-24) needed to undergo significant revision compared to the December 2021 Business Plan. The change in opening dates required adaptations to the opening artistic programme, onboarding of recruitment and rephrasing of venue-related costs.

Whilst opening the building was a milestone achievement, there have remained elements of finishing and commissioning work that continued to impact on the ability to programme the venue in an unhindered manner. In addition, operational work-arounds, due to building systems being unfinished, increased some costs. As such, the budget for the financial opening year remained under regular and close review, adapting to changed scenarios and learnings around our newer categories of venue operating costs.

At the end of December 2023, the Financial Business Plan for the next two-years, including MIF25 was updated. This charted a significant evolution in terms of financial modelling but remained consistent with the underpinning principles and activities set out within the December 2021 Strategic Business Plan. The Strategic Business Plan continues to be reviewed on a quarterly basis via a KPI monitor presented to Trustees.

In September 2024, Factory International will begin the early stages of its next Business Plan cycle, covering April 2026-March 2030.

REVIEW & RESET PROJECT

At the start of 2024 the organisation initiated a project drawing on evaluations and learnings from the first 10 months of operation within the new year-round venue-based configuration. This recognised the significant growth and transformation of Factory International as the company took on delivery of a 12-month creative programme and the operation of AVIVA Studios.

The review involved a series of staff working groups to shape findings, recommendations for change and action plans. This work, which underpins improvements to organisational systems and processes will be rolled out across FY24/25 and FY25/26, supporting the final phase of transition from MIF to Factory International and operating AVIVA Studios.

CHANGE TO GOVERNANCE AND MANAGEMENT

Board recruitment continued its annual cycle to replace retiring or resigning Trustees. In recent years our Trustee recruitment has focused on increasing diversity and aligning skills and experience to the expanding remit of Factory International and the venue.

In 2023-24, the following Trustees resigned from the Board: Tom Bloxham (Chair).

Maira Sinclair was appointed as incoming Chair in March 2024. Ngozi Ugochukwu and Jo Whitfield were appointed to their second term as Trustees in January 2024.

ACE Observer Pete Courtie was replaced by Richard Brown in November 2023.

There were no significant changes to the governance structure during this financial period.

MANAGEMENT AND STAFFING

There were some significant changes in key management staff during this period, beyond the introduction and rapid expansion of several venue delivery team working directly on the completion of the building.

Hannah Cork, Director of Finance & Resources, left in March 2024.

FI was also preparing for other leavers and recruitment in the period that followed in April-June 2024, at Executive level and in the Public Engagement, Producing, and Commercial teams.

We have also worked to develop our core reporting functions, taking into account the increased complexity/scale of the organisation. This has included investing staff time and resource in refining data capture and processing – and the efficiency with which we collate and present our regular

statutory reporting. This is an ongoing/iterative process and one which we see helping us to draw important commercial, strategic, artistic and social value insights as we grow and develop.

PLANS FOR FUTURE PERIODS

The next financial period ending March 2025 covers continued maturing and refining of Factory International's operations at AVIVA Studios and beyond, delivering the first full year of year-round programming, and preparation for the next Festival (in July 2025).

The following presents a non-exhaustive list of the key areas of activity that the organisation will deliver over the forthcoming 12-months:

- Our first full years' worth of artistic programme in AVIVA Studios, including during 2024-25 the world premiere of ten original commissions from artists as varied as Laurie Anderson, Huang Ruo, David Hoyle, Maxine Peake, Darren Pritchard and Marshmallow Laser Feast.
- The presentation of other major artworks in Manchester for the first time, including the commercial transfer of David Hockney's immersive digital show as a major festive show in December 2024.
- International presentations of our commissions across the world, including multiple New York dates plus Hong Kong, Venice Biennale, Dublin Festival, Ruhrtrienalle and Holland Festival.
- The growth of our music programme with circa 50 live music events, including artists as diverse as Janelle Monae, Underworld, Fontaines DC and Paraorchestra, plus hosting the international WOMEX expo in Manchester for the first time and the launch of a live streamed music series in partnership with Amazon and AVIVA.
- Significant commercial events and partnership activations, including a skate festival with adidas, MUBI film festival, Joe Wicks' Move Manchester Festival and a filming location for a major new Netflix series.
- We are also in the planning stage for the 2025 edition of Manchester International Festival (MIF25) which returns across the city in July 2025.
- Building on the success of *The Welcome*, we have recruited a new co-creation cohort of Greater Manchester residents to commission work for February 2025.
- We have launched The Young Curators programme – an opportunity for six young creatives to work with leading industry professionals and artists to explore curation and work towards a commission in 2025.
- After a successful pilot year, we have recruited five new partner schools to our Factory Schools programme. They will work with us over the course of the year with weekly sessions, seeing shows at AVIVA Studios and culminating in a showcase in July. Young people will create work themed around 'Art for Change', 'Identity' and 'Climate', through creative writing, visual art, performance and music.

FINANCIAL REVIEW

Over the 12-month financial period ended March 2024 the group made a loss of £136k with the result that reserves decreased marginally from £13,782k to £13,646k (representing a drop of 1%).

A comparison of the results of this financial period to the previous one, requires acknowledgement of the delivery of the biennial Festival MIF23 in this financial period, and also the fact that the new venue AVIVA Studios opened officially in October 2023.

GRANTS AND DONATIONS

The amount of income from grants and donations has increased by 59% from £12,065k to £19,037k. The largest grant was provided by Arts Council England (ACE). This includes both a National Portfolio Organisation (NPO) funding agreement for the ongoing development of Factory International, and an unrestricted funding agreement to support our Equalities Representation Action Plan that puts our commitment to artist, audience and people diversity at the core of our business plan. The total amount of ACE funding has remained relatively flat; marginally falling by 1% from £10,037k in the prior year to £9,905k this year.

Our other principal funding agreement is with Manchester City Council (MCC). In this period, the total amount of MCC funding was £8,552k which is a substantial uplift on funding of £1,500k received in the prior year. This amount included our typical annual funding of £1,500k however we also received a contribution of £600k towards the impact of delays to the building and £6,452k towards the fit-out of the new venue and investments in fixtures and fittings.

In addition to public funding, Factory International continued to be supported by income from Trusts and Foundations to support key areas of activity – particularly our creative engagement programme. The total income from six organisations was £303k, which represents a decrease of 18% on the prior year.

We received support from individual donations of £177k representing significant growth on the prior year.

INCOME FROM CHARITABLE ACTIVITIES

Income from charitable activities represents income from the many activities that Factory International undertakes for the public benefit, which includes income from MIF23, and income from other non-Festival activities such as touring activities and the Factory Academy. It also includes income generated from the many and varied activities in the new venue from October 2023.

Total income for the financial period from charitable activities was £6,235k which represents a significant increase from £1,606k in the prior year.

Of this total income, £878k is directly attributable to the Festival (box office, co-production and co-commissioning), and £5,357k to non-Festival charitable activities.

Income for non-Festival charitable activities includes £945k from The Factory Academy programme of activity which as described earlier in the Trustees Report, provides pre- and post-employment training for under-represented groups in the cultural sector. The Factory Academy income relates to a

secured sub-contracting funding agreement with a learning body, initially secured in September 2020, to provide high-quality training programmes.

COST OF RAISING FUNDS

The cost of raising funds has increased by over 75% on last year, increasing from £1,427k to £5,647k driven primarily by the cost of the operations of trading subsidiaries which has grown from £454k to £4,696k. The subsidiary Factory International Trading Services commenced trading on 1st April 2023 hence there was no cost included in the prior year and is the driver of the step change.

EXPENDITURE ON CHARITABLE ACTIVITIES

Expenditure on charitable activities presents expenditure from activities that Factory International undertakes for the public benefit, including MIF23 and other year-round charitable activities such as Creative Engagement and Factory Academy, and those related to the transition to Factory International and opening of the venue.

Overall expenditure increased significantly from £10,609k to £25,310k.

Expenditure on the Festival MIF23 increased by £6,399k on the prior year to £7,681k.

Expenditure related to the transition into AVIVA Studios declined (drop of £349k/15%) to £1,910k.

Expenditure on other non-Festival activities increased to £15,719k, more than double that was spent in the prior year. This increase was primarily driven by activities delivered in association with the new venue – artistic commissions, music presentations, co-commissioning and digital & broadcast.

Expenditure on Other Trading activity was introduced in the year and was related to commercial activation costs in the venue.

TAXATION

Factory International accrued a taxation benefit of £1,568k in relation to creative industry tax reliefs claimed by MIF Productions in respect of eligible commissioned work. This is a significant increase on the prior year and represents the increase in production activity across the Festival and year-round.

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. Factory International endeavours to make best use of available funds by investing these funds in interest bearing deposit accounts, which in the 12 months to March 2024 generated interest of £61k.

RESERVES POLICY

FI's Reserves Policy is reviewed and updated annually as part of the organisation's longer-term strategic financial planning and risk management. In setting the Policy and the target for general reserves, a number of factors are considered including the general level of risk within the current and future operations; the reliability of forecasted revenue and expenditure projections and the extent of cover required for overheads.

The Reserves Policy is set to ensure that Factory International can continue to deliver its charitable objectives through this transition period of opening Aviva Studios and beyond. The level of risk in the financial year ahead is considered to remain high, as we deliver the first year-round artistic programme in the new venue and establish new commercial revenue streams.

The current reserves position is as follows

Restricted Funds:

As at the end of March 2024, the total value of restricted funds were £270k and are for various Trust & Foundation supported projects.

Unrestricted Funds:

The total value of unrestricted and general funds were £13,376k and represented:

- **Capital Depreciation Reserve** equivalent to the NBV of fixed assets on the balance sheet, and reduced each year by an amount equivalent to the depreciation charged to the SOFA in respect of those assets being utilised. At end of March 2024, the value of the capital depreciation reserve is £11,586k. The capital depreciation reserve is unrestricted and is assigned for this purpose.
- **General Reserve** to provide sufficient cover to allow the organisation to continue its charitable purposes in the event of an adverse impact to its unrestricted income. During the transition period we have utilised the General Reserve that we had successfully built in expectation of the adverse impact of the transition period. Having targeted a minimum level of £1m through that period, at the end of March 2024 the value of the general reserve is £1,790k, ahead of the minimum target.

Looking ahead the following reserves will be targeted for successful ongoing operations:

- **Sinking Fund Reserve** The reserve will be established after the first full opening year of AVIVA Studios. This reserve is to grow and build an annual amount of c.£350-400k to contribute towards the capital replacement cycle of the building over the 30-years of the lease. This fund is unrestricted and is assigned for this purpose, pending more formal designation by Trustees. (It is anticipated that this will be treated as a designated fund as at March 2026.)
- **Capital Purchase Reserve** to replenish Fixtures and Fittings related to assets within the venue needed to deliver future business plans. The current business plan runs to March 2026, and the appropriate reserve plan will be established as part of the next business planning cycle. At that point the Finance and Audit Committee will take a view on whether a designated fund is required.
- **General Reserves** Beyond the transition period the organisation is currently looking to maintain general reserves at £3.0m. The Finance and Audit Committee have agreed to actively review the target for general reserves during the next financial year.

GOING CONCERN

The group manages its activities with positive restricted and unrestricted reserves. The charity relies on funding from Arts Council England and Manchester City Council. Future success is also dependent on achieving a balance of artistic, social and revenue-generating commercial activity at the new venue operated by Factory International.

The current unrestricted Arts Council England funding agreement contractually covers the period to March 2026. The Charity will be looking to submit a bridging funding application in December 2024 to cover the period April 2026 to March 2027. A new funding application to Arts Council England for the period beyond March 2027 will then be submitted at a later time.

Alongside the long-term financial support of Arts Council England, Factory International has also signed a Management Agreement with Manchester City Council to run the new building out to March 2032. This attracts an appropriate service fee and underpins the core running costs of the venue.

The Trustees have undertaken a full review of the current short-term and long-term financial plans and the cashflow forecast through to 31 December 2025, giving necessary and due consideration to the wider organisational context and macro-economic challenges. The Trustees have also considered the potential impacts of not achieving future income targets by conducting sensitivity analysis on cash projections. Following this review, the Trustees confirm that the organisation's accounts will be prepared on the basis of 'Going Concern'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Manchester International Festival (trading as Factory International) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 22 September 2014. The company became a registered charity on 26 April 2006.

DIRECTORS AND TRUSTEES

Factory International is governed by a diverse Board of leaders from business, arts, local government and communities. 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 (except for 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 Board may, by ordinary resolution, appoint a person who is willing to be a Director. The Schedule of Delegation requires that all new appointments go through a process with the Nominations Committee who then makes a recommendation to the Board on the suitability of persons to appoint.

Manchester City Council currently has appointed two persons as Directors to the Board and retains the powers to change these appointments as required. A Director appointed by Manchester City Council may at any time be removed from office only by notice in writing by the City Council.

All other Directors are subject to retirement after four years. 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 annual budget, the most recent management financial statements and papers from the previous two Board meetings. Additional training is made available to all new Trustees to ensure that they are well supported to be able to carry out their responsibilities.

ORGANISATION

The Trustees administer the charity. They meet as a Board quarterly and through various sub-committees – Finance & Audit, People & Culture, Ethics and Nominations – which meet prior to main Board meetings.

The four meetings align with quarterly finance, Business Plan and external funding reporting to strengthen Board scrutiny of company performance. For the fifth meeting, the Board undertakes an annual retreat to ensure focus on long term strategy in September.

In addition to the standing sub-committees, there are also various time limited working groups which convene around topics such as key leadership appointments, key funding submissions, and key

procurement activities related to the operating model. Individual members act as Board-nominated leads on specific areas including Equalities and Safeguarding.

A CEO & Artistic Director is appointed to administer the day-to-day operations of Factory International. 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.

SUBSIDIARIES

On 27 October 2020, a subsidiary Factory Academy Limited (company number 12978506) was incorporated to deliver the Factory Academy programme of activities. The subsidiary is a private company with a £1 share issue and is wholly owned by Factory International. The charity consolidates in its financial statements the results of Factory Academy Limited.

Membership of Factory Academy Limited is as follows:

- Cathryn Wright (Director)
- Low Kee Hong (Director)

On 12 November 2014, a subsidiary MIF Productions Limited (company number 09308388) was incorporated to deliver specific dramatic and music productions. The subsidiary is a private company with a £1 share issue and is wholly owned by Factory International. The charity consolidates in its financial statements the results of MIF Productions.

Membership of MIF Productions Limited is as follows:

- Cathryn Wright (Director)
- Low Kee Hong (Director)

Factory International Trading Services Limited (FITS) -. (Company number 14556931), was incorporated on 23 December 2022 and its trading activities commenced on 01 April 2023. The principal activities of the company are brand partnerships and corporate sponsorships including the naming rights of the venue, hire of the venue for 3rd party commercial and music events, sale of merchandise through the Factory International shop and commission received through food and beverage sales. The subsidiary is a private company with a £1 share issue and is wholly owned by Factory International. The charity consolidates in its financial statements the results of Factory International Trading Services Limited (FITS).

Membership of Factory International Trading Services Limited (FITS) is as follows:

- Cathryn Wright (Director)
- Sheena Wrigley (Director & Secretary)

RELATED PARTIES

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

RISK MANAGEMENT

The most significant factor affecting FI performance in the year and with potential to impact the short-term future is the readiness of the building on opening and the slower than projected development of the surrounding St John's area. The implications of this were significant within the year, as it affected FI's ability to commit to external hires and events and our ability to attract new audiences to the venue, particularly on a more casual "drop-in" basis.

Key areas of financial risk specific to the business model for the organisation, include:

- unforeseen additional expenditure related to opening a new and complex building
- failure to meet in full our income targets (specifically box office, co-commissioning income, sponsorship, philanthropic donations, food and beverage and merchandise)
- failure to meet expenditure targets especially around larger and more complex artistic projects
- challenges in projecting and controlling building related overheads during the first period of full operation

To mitigate these risks the organisation regularly reviews the impact of building delays and ongoing 'snagging' on both income and costs. FI entered discussion with MCC (the owners of the building) to explore routes to mitigate the impact of delays, which has resulted in £600k of extra funding in the year.

Management meets monthly to review the income and expenditure projections around the artistic programme of activity and to take responsive corrective action. All production budgets include a suitable level of contingency for unavoidable cost overages.

Commercial income is also regularly reviewed by management and, if and when necessary, organisational budgets are reforecast to manage and mitigate the reduced income.

Managing the continued financial and operational impacts of delayed opening and building readiness on the artistic programme alongside associated reputational risk factors have taken considerable focus within this period.

The charity regularly reviews all items of risk as a standing item at both the Finance & Audit committee meetings and the main Board meeting. Action is taken to mitigate and minimise those risks deemed significant and likely to occur.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name	Manchester International Festival
Charity number	1113902
Company number	05292793
Country of incorporation	England and Wales
Company registered address	AVIVA Studios Water Street Manchester, M3 4JQ
Legal form	Charitable company limited by guarantee
Auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	The Co-operative Bank P O Box 250, Delf House Southway Skelmersdale, WN8 6WT
Solicitors	Eversheds Sutherland 6 Stanley St Manchester, M3 5GX

DIRECTORS AND TRUSTEES OF MANCHESTER INTERNATIONAL FESTIVAL

Moira Sinclair OBE (Chair) (appointed March 2024)

Tom Bloxham (Chair) (to February 2024)

Pat Bartoli

Cllr Luthfur Rahman OBE (nominated by Manchester City Council – to May 2024)

Cllr Garry Bridges (nominated by Manchester City Council – appointed May 2024)

Richard Paver (to July 2024)

Sir Howard Bernstein (to June 2024)

Richard Bell

Cathryn Wright

Jamil Khalil

Alan Bishop

Maria Balshaw CBE

Jo Whitfield CBE

Ngozi Ugochukwu

Fazeel Barber

Lamia Dabboussy

Laura Jordan-Bambach

Grace Ladoja MBE

Ibrahim Mahama

Shaminder Nahal

Gary Neville

Sharon Watson

COMPANY SECRETARY

Sheena Wrigley (appointed July 2024)

Hannah Cork (until March 2024)

KEY MANAGEMENT PERSONNEL

Chief Executive Officer & Artistic Director - John McGrath

Executive Director – Sheena Wrigley

Creative Director – Kee Hong Low

Chief Financial Officer – Karen Bass

Executive Commercial Director – Scott McVittie (appointed October 2024)

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


Cathryn Wright (Dec 19, 2024 16:02 GMT)

Cathryn Wright

19/12/2024

INDEPENDENT AUDITORS 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 subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including 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 affairs of the group and the parent charitable company as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the period 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.

BASIS FOR OPINION

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 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.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 which includes the Directors' Report and the Strategic Report for the 12-month financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate 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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities set out on page 25, the Trustees (who are also the directors of the parent 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group 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 the 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

IDENTIFYING AND ASSESSING RISKS RELATED TO IRREGULARITIES

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with Trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

AUDIT RESPONSE TO RISKS IDENTIFIED

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

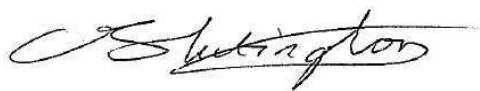
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

USE OF OUR REPORT

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

20 December 2024

.....
Saffery 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 31 March 2024

		Unrestricted	Restricted	12 Months Ended	Unrestricted	Restricted	12 Months Ended
		£	£	31 Mar 2024	£	£	31 Mar 2023
	Note						
Income:							
Grants & Donations	2	18,763,811	273,341	19,037,153	2,419,772	9,645,653	12,065,425
Charitable Activities	3	6,234,542	-	6,234,542	1,606,110	-	1,606,110
Other Trading Activities	4	3,920,331	-	3,920,331	104,186	-	104,186
Investments	5	61,388	-	61,388	125,089	-	125,089
Total income		28,980,072	273,341	29,253,413	4,255,157	9,645,653	13,900,811
Expenditure:							
Cost of raising funds	6	5,601,837	45,397	5,647,234	649,505	777,297	1,426,802
Expenditure on charitable activities							
Festival Costs	7	7,314,221	366,570	7,680,792	257,119	1,024,552	1,281,671
Other Charitable Activities	7	14,471,825	1,247,668	15,719,492	1,063,979	6,004,253	7,068,232
AVIVA Studios Transition costs	7	-	1,909,925	1,909,925	-	2,258,684	2,258,684
Total expenditure		27,387,883	3,569,560	30,957,443	1,970,603	10,064,786	12,035,390
Net (expenditure) / income		1,592,189	(3,296,219)	(1,704,029)	2,284,554	(419,133)	1,865,421
Taxation	19	1,568,172	-	1,568,172	241,643	-	241,643
Transfers between funds	16	3,786,672	(3,786,672)	-	2,049,491	(2,049,491)	-
Net movement in funds after transfers		6,947,033	(7,082,891)	(135,857)	4,575,687	(2,468,624)	2,107,063
Total funds brought forward:							
At 1 April 2023	16	6,429,187	7,352,914	13,782,101	1,853,499	9,821,538	11,675,037
Total funds carried forward	16	13,376,220	270,023	13,646,243	6,429,187	7,352,914	13,782,101

These results derive from continuing activities and all gains and losses recognised in the year are included in the above statement.

The notes on pages 34 to 51 form part of these financial statements.

GROUP & CHARITY BALANCE SHEETS

As at 31 March 2024

		Group 31 Mar 2024	Charity 31 Mar 2024	Group 31 Mar 2023	Charity 31 Mar 2023
	Note	£	£	£	£
Fixed assets:					
Tangible assets	12	10,821,212	9,479,182	2,653,228	2,410,728
Intangible assets	12	765,448	717,028	766,122	766,122
Investments	24	-	3	3,000,000	3,000,003
Total Fixed Assets		11,586,660	10,196,214	6,419,350	6,176,853
Current assets:					
Debtors	13	4,094,659	5,465,977	1,387,759	2,179,049
Cash and bank balances		3,733,637	2,713,562	8,452,111	8,002,797
Total Current Assets		7,828,296	8,179,539	9,839,871	10,181,845
Liabilities:					
Amounts falling due within one year	14	(5,639,343)	(5,278,152)	(2,292,326)	(2,277,338)
Net current assets		2,188,953	2,901,388	7,547,545	7,904,508
Provisions for liabilities	15	(129,370)	(129,370)	(184,794)	(184,794)
Total Net assets		13,646,243	12,968,231	13,782,101	13,896,567
Funds:					
Unrestricted Funds	16	13,376,220	12,698,208	6,429,187	6,543,653
Restricted Funds	16	270,023	270,023	7,352,914	7,352,914
		13,646,243	12,968,231	13,782,101	13,896,567

The Charitable company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Statement of Financial Activities. The parent company's net deficit for the year was (£0.93m) (2023: net surplus £2.24m).

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

Cathryn Wright

Cathryn Wright Cathryn Wright (Dec 19, 2024 16:02 GMT)

Date: **19/12/2024**

The notes on pages 34 to 51 form part of these financial statements.

Company number

05292793

GROUP STATEMENT OF CASH FLOWS

For the 12 months ended 31 March 2024

	Group 2024 £	Group 2023 £
Cash inflow from operating activities		
Surplus after tax for the year	(135,857)	2,107,063
Adjustment for non-cash items		
Depreciation and amortisation	1,321,862	200,026
Increase in debtors	(2,706,899)	(277,450)
Increase in creditors	3,262,964	1,310,887
Provision for liabilities	(55,424)	184,794
Net cash flow from operating activities	<u>1,686,645</u>	<u>3,525,321</u>
Cash flow from investing activities		
Payments made to acquire fixed assets	(9,405,119)	(3,164,283)
Maturity of long term deposit	3,000,000	2,000,000
	<u>(6,405,119)</u>	<u>(1,164,283)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Increase in cash and cash equivalents in the year	<u>(4,718,474)</u>	<u>2,361,038</u>
Cash and cash equivalents at beginning of the year	<u>8,452,111</u>	<u>6,091,073</u>
Cash and cash equivalents at end of the year	<u>3,733,637</u>	<u>8,452,111</u>

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

CHARITY INFORMATION

Manchester International Festival is a company (company registration number: 05292793) limited by guarantee and incorporated in England and Wales. It is also a charity (charity registration number: 1113902) registered at the address AVIVA Studios, Water Street, Manchester M3 4JQ.

ACCOUNTING CONVENTION

The group financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP) 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 benefit entity under FRS102. Assets and liabilities are initially recognised at historical costs or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention.

REPORTING PERIOD

The company has prepared accounts for the year to 31 March 2024.

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 subsidiaries, MIF Productions Limited, Factory Academy Limited and Factory International Trading Services Limited, on a line by line basis.

The accounting periods for all subsidiaries are co-terminus with that of the charity, however for Factory International Trading Services Limited a 15-month financial period has been consolidated and reported as at 31 March 2024.

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.

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 subsidiaries;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

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 have been met; the receipt of economic benefit from the use by the charity of the item is probable, and that economic benefit can be 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.

EXPENDITURE

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.

Costs 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.

All significant producing costs expended in respect of the shows presented in future years are included in the prepayments in the Balance Sheet.

TANGIBLE ASSETS

Tangible fixed assets costing over £1,000 are capitalised. They are depreciated evenly over their expected useful lives. Depreciation is calculated at the following rates:

Equipment – 10% - 33 1/3% straight line per annum

Fixtures and fittings – 10% - 33 1/3% straight line per annum

INTANGIBLE ASSETS

Intangible fixed assets include software and related consultancy costs that the company believes will provide ongoing economic benefit. Intangible assets are capitalised when it is expected that the project cost will be in excess of £5,000 and the period of benefit is at least 3 years. Amortisation is charged from the point an asset is brought into use and the amortisation period is between 3 and 5 years dependent on the type of asset.

PENSION COSTS AND RETIREMENT BENEFITS

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.

As non-charitable companies, all subsidiaries are eligible for UK corporation tax. In this 12-month financial year ended March 2024, no Corporation Tax was due within any of the subsidiaries as Manchester International Festival intends to enter a deed of covenant with the subsidiaries who will gift-aid all taxable profits to the Charity within 9 months of the year end. The subsidiaries have not recognised any deferred tax assets or liabilities as the deed of covenant renders these unlikely to crystallise.

Across the 12-months to March 2024 the Group accrued a taxation benefit of £1,568,172 that is in relation to creative tax reliefs claimed by MIF Productions in respect of eligible commissioned work.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. 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.

FINANCIAL INSTRUMENTS

The Group has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Other than where specifically stated all of the Group's financial instruments are classed as basic financial instruments. Financial assets are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

BASIC FINANCIAL ASSETS

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

IMPAIRMENT OF FINANCIAL ASSETS

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

CLASSIFICATION OF FINANCIAL LIABILITIES

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

BASIC FINANCIAL LIABILITIES

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

DERECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities are derecognised when the entity's contractual obligations expire or are discharged or are cancelled.

CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in accordance with FRS 102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation, amortisation, and doubtful debt provision. The accounting in these areas of the accounts requires management to use judgement. In relation to accruals this is a best estimate of costs that will be incurred based on contractual requirements. Provision for doubtful debts is based on the age of debts and probability of their recovery. For depreciation and amortisation, the estimates are driven by the useful economic life of the associated assets.

2 Grants & Donations	Unrestricted £	Restricted £	2024 £	2023 £
Manchester City Council	8,552,326	-	8,552,326	1,500,000
Arts Council England - Factory Grant	9,564,095	-	9,564,095	9,165,600
Arts Council England Unrestricted Project Grants	371,274	-	371,274	742,550
Arts Council England Restricted Project Grants	-	(30,000)	(30,000)	129,000
Other Public Funding Grants (inc. ALBs)	99,000	-	99,000	90,000
Trusts & Foundations	-	303,341	303,341	369,000
Kickstart Scheme	-	-	-	22,053
Individual Donations	177,117	-	177,117	47,222
	18,763,811	273,341	19,037,153	12,065,425

The amount received from local and Central Government grants was £18,556,695 (2023: £11,627,150). The comparative year included restricted income of £9,645,653 from grants and donations.

3 Income from Charitable Activities	Unrestricted 2024 £	Unrestricted 2023 £
Box Office	2,407,779	23,813
Digital	290,811	-
Co-Production & Co-Commissioning	587,445	374,271
Sponsorships & Partnerships	287,967	86,667
International Presentations	632,929	577,460
Factory Academy	-	165,017
Other Projects & Charitable Activities	2,001,225	348,872
Memberships and Ancillary activities	26,387	30,010
	6,234,542	1,606,110

4 Income from other trading activities	Unrestricted 2024 £	Unrestricted 2023 £
Education Services	944,614	77,967
Commercial Services	2,975,717	26,218
	3,920,331	104,186

5 Investments	Unrestricted 2024 £	Unrestricted 2023 £
Interest receivable	61,388	125,089

6 Cost of Raising funds

	Direct Costs	Wages and Salaries	Support Costs	2024
	£	£	£	£
Fundraising	213,538	373,762	363,909	951,209
Production Services	1,604,171	-	-	1,604,171
Education Services	358,744	415,937	-	774,681
Commercial Services	1,335,361	981,811	-	2,317,173
	<u>3,511,815</u>	<u>1,771,509</u>	<u>363,909</u>	<u>5,647,234</u>

	Direct Costs	Wages and Salaries	Support Costs	2023
	£	£	£	£
Fundraising	153,031	438,725	380,610	972,366
Production Services	454,436	-	-	454,436
Education Services	-	-	-	-
Commercial Services	-	-	-	-
	<u>607,467</u>	<u>438,725</u>	<u>380,610</u>	<u>1,426,802</u>

Expenditure on raising funds include £45,397 (2023: £777,297) of restricted expenditure.

7 Expenditure on Charitable activities

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

	Other Direct Costs	Direct Wages and Salaries	Support Costs	2024
	£	£	£	£
Charitable Activities				
Festival	3,430,201	1,308,696	2,941,895	7,680,792
Non-Festival Artistic Commissions	3,583,048	1,367,706	3,073,415	8,024,169
Non-Festival Music Presentations	547,762	207,980	469,162	1,224,904
Non-Festival Co-Commissioning & Co-Producing	546,109	208,458	468,433	1,223,000
International Presentations	670,551	200,245	540,588	1,411,383
Digital Commissions & Broadcasting	809,165	147,935	594,165	1,551,266
Creative Engagement	629,490	611,253	770,250	2,010,993
Factory Academy	-	-	-	-
R&D and Curatorial	126,248	42,668	104,862	273,778
AVIVA Studios Transition Project	1,123,134	55,253	731,539	1,909,925
	<u>11,465,707</u>	<u>4,150,193</u>	<u>9,694,309</u>	<u>25,310,209</u>

Expenditure on charitable activities include £3,524,163 (2023: £9,287,489) of restricted expenditure.

<i>Charitable activities - prior year</i>	Other Direct Costs	Direct Wages and Salaries £	Support Costs £	2023 £
<i>Festival</i>	347,691	432,301	501,680	1,281,671
<i>Non-Festival Artistic Commissions</i>	528,332	656,769	762,241	1,947,341
<i>Non-Festival Music Presentations</i>	5,663	77,615	53,563	136,841
<i>Non-Festival Co-Commissioning & Co-Producing</i>	53,513	66,522	77,205	197,240
<i>International Presentations</i>	1,150,881	269,036	913,272	2,333,190
<i>Digital Commissions & Broadcasting</i>	158,754	105,463	169,941	434,158
<i>Creative Engagement</i>	286,365	519,957	518,615	1,324,937
<i>Factory Academy</i>	49,686	72,202	78,397	200,285
<i>R&D and Curatorial</i>	258,579	42,202	193,459	494,240
<i>AVIVA Studios Transition Project</i>	1,250,042	124,534	884,109	2,258,684
	4,089,505	2,366,601	4,152,481	10,608,587

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.

	Raising Funds £	Charitable Activities			2024 £
		Festival £	Other Charitable £	AVIVA Studios Transition £	
Branding / Press and PR	18,300	147,937	302,767	36,786	505,790
Audiences & Ticketing	98,082	792,910	1,622,768	197,167	2,710,927
Governance & Administration	77,243	624,440	1,277,978	155,275	2,134,936
Finance & Reporting	34,254	276,912	566,727	68,858	946,751
People & Culture	27,765	224,457	459,373	55,814	767,408
Systems & Data	38,511	311,575	637,668	77,177	1,065,262
Property Management	69,725	563,664	1,153,594	140,162	1,927,145
	363,909	2,941,895	6,020,875	731,539	10,058,218

	Raising Funds	Charitable Activities			2023 £
		Festival £	Other Charitable £	AVIVA Studios Transition £	
Branding / Press and PR	34,606	45,613	251,552	80,384	412,155
Audiences & Ticketing	82,077	108,185	596,626	190,654	977,542
Governance & Administration	96,501	127,197	701,473	224,159	1,149,329
Finance & Reporting	80,023	105,477	581,693	185,883	953,076
People & Culture	51,822	68,307	376,701	120,376	617,206
Systems & Data	34,977	46,103	254,251	81,247	416,578
Property Management	605	797	4,398	1,405	7,205
	380,610	501,680	2,766,693	884,109	4,533,091

Where relevant, professional fees and charges and other staff costs are directly attributed to activities in respect of which they were incurred. Otherwise they are apportioned to activities according to estimated usage. Depreciation, running expenses and premises costs are apportioned to activities according to estimated usage. Included within governance and administration expenditure is £25,500 (2023 - £22,750) for the audit of the parent charity consolidated financial statements and £19,500 (2023 - £12,000) for the audit of the subsidiary financial statements.

9 Movement in total funds for the period

Net movements in funds are stated after charging:

	2024 £	2023 £
Auditors' remuneration:		
Audit services - current year	45,000	34,750
Audit services - prior year	20,000	-
Operating lease rentals	161,692	141,283
Depreciation and amortisation	1,321,862	200,026
Foreign exchange (gain) / loss	(5,958)	380

10 Analysis of staff costs

	2024 £	2023 £
Wages and salaries	8,263,727	4,653,941
Social security costs	789,726	525,295
Pension costs	272,300	170,264
	<u>9,325,753</u>	<u>5,349,501</u>

Number of employees:

The average monthly head count for permanent and fixed term employees was 221 (2023: 121).

The average monthly fixed term equivalent for casual employees was 36 (2023: 2).

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

	2024 No.	2023 No.
£ 60,001 - £ 70,000	5	5
£ 70,001 - £ 80,000	3	3
£ 80,001 - £ 90,000	-	1
£ 90,001 - £100,000	3	2
£100,001 - £110,000	-	1
£110,001 - £120,000	2	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	1	1
	<u>14</u>	<u>14</u>

Total pension paid for during the reporting period, in respect of the higher paid employees, was:

2024 £	2023 £
54,646	56,742

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. Seven (2023: Five) board members received re-imbursed travel expenses of £2,741 (2023: £1,478).

The key management of the parent charity, Manchester International Festival, comprise the trustees, Chief Executive Officer & Artistic Director, Executive Director, Creative Director, Chief Financial Officer, and Executive Commercial Director.

The total employee benefits of the key management personnel (including pension) for the reporting period of 12 months were £597,525 (2023: £581,217).

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

12 Tangible Fixed Assets - Group	Equipment £	Fixtures & Fittings £	Total £
Cost:			
At 1 April 2023	2,779,430	436,801	3,216,232
Additions	7,264,624	1,942,340	9,206,964
Disposals	-	-	-
At 31 March 2024	10,044,054	2,379,141	12,423,195
Depreciation:			
At 1 April 2023	466,198	96,805	563,003
Disposals	-	-	-
Charge for the year	812,516	226,464	1,038,980
At 31 March 2024	1,278,714	323,270	1,601,983
Net book value:			
At 31 March 2024	8,765,340	2,055,872	10,821,212
At 1 April 2023	2,313,233	339,996	2,653,228

Tangible Fixed Assets - Charity	Equipment £	Fixtures & Fittings £	Total £
Cost:			
At 1 April 2023	2,779,430	194,301	2,973,732
Additions	6,653,041	1,304,223	7,957,264
Disposals	-	-	-
At 31 March 2024	9,432,471	1,498,524	10,930,995
Depreciation:			
At 1 April 2023	466,198	96,805	563,003
Disposals	-	-	-
Charge for the year	723,799	165,011	888,810
At 31 March 2024	1,189,997	261,816	1,451,813
Net book value:			
At 31 March 2024	8,242,474	1,236,708	9,479,182
At 1 April 2023	2,313,233	97,496	2,410,728

Intangible Assets - Group	Intangible Assets £	Total £
Cost:		
At 1 April 2023	868,115	868,115
Additions	282,208	282,208
Disposals	-	-
At 31 March 2024	1,150,323	1,150,323
Depreciation:		
At 1 April 2023	101,993	101,993
Disposals		
Charge for the year	282,882	282,882
At 31 March 2024	384,875	384,875
Net book value:		
At 31 March 2024	765,448	765,448
At 1 April 2023	766,122	766,122

Intangible Assets - Charity	Intangible Assets £	Total £
Cost:		
At 1 April 2023	868,115	868,115
Additions	230,008	230,008
Disposals	-	-
At 31 March 2024	1,098,123	1,098,123
Depreciation:		
At 1 April 2023	101,993	101,993
Disposals		
Charge for the year	279,102	279,102
At 31 March 2024	381,095	381,095
Net book value:		
At 31 March 2024	717,028	717,028
At 1 April 2023	766,122	766,122

13 Debtors	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Trade debtors	1,246,601	1,135,001	482,880	482,880
Other debtors	1,812,853	3,038	251,935	10,293
Amounts owed by group undertakings	-	3,385,708	-	1,138,676
Prepayments	244,581	218,938	142,381	142,381
Accrued Income	790,624	723,292	108,751	52,125
VAT	-	-	401,812	352,695
	4,094,659	5,465,977	1,387,759	2,179,049

14 Creditors: amounts falling due within one year	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Trade creditors	989,576	964,457	1,274,844	1,276,034
Other creditors	548,292	548,292	98,925	99,124
Accruals	1,621,489	1,519,036	353,331	336,953
Deferred income	2,385,532	2,243,420	565,226	565,226
VAT	94,453	2,946	-	-
	<u>5,639,343</u>	<u>5,278,152</u>	<u>2,292,326</u>	<u>2,277,337</u>

Included within Other creditors there is a finance lease commitment of £90,381 (2023: £90,381) of which £43,177 (£54,312) is due under one year, and £17,201 (£59,377) is due over one year.

Also included within Other creditors is £50,770 (2023: £nil) of unpaid pension contributions at the year end.

Deferred income - Group and Charity	Group £	Charity £
At 1 April 2023	565,226	565,226
Amount released in the period	(1,535,208)	(1,508,708)
Amount deferred in the period	3,355,513	3,186,902
At 31 March 2024	<u>2,385,532</u>	<u>2,243,420</u>

Deferred income - prior year:

	Group £	Charity £
At 1 April 2022	193,715	193,715
Amount released in the year	(1,257,004)	(1,257,004)
Amount deferred in the period	1,628,515	1,628,515
At 31 March 2023	<u>565,226</u>	<u>565,226</u>

The funds are deferred when the charity or its subsidiaries receives funds but do 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 subsidiaries.

15 Provision for liabilities

As of March 2024 the Charity was in dispute with HMRC relating to the definition of some of its activities as non-business. If this dispute had concluded in line with HMRC's proposed treatment the VAT owed would have amounted to £129k (2023: £185k) which was therefore included as a provisional liability. In fact the issue was progressed through the route of Alternative Dispute Resolution and came to a conclusion in December 2024. The actual liability is currently under review and is not known at the date of signing but is anticipated to reduce.

Movement in Funds

Analysis of charitable funds - Charity	Balance at 1-Apr-23	Net incoming resources	Net outgoing resources	Transfer	Balance at 31-Mar-24
	£	£	£	£	£
Analysis of unrestricted funds movements: Unrestricted Funds	6,543,653	25,059,741	(22,691,858)	3,786,672	12,698,208
Analysis of restricted funds movements: Restricted Funds	7,352,914	273,341	(3,569,560)	(3,786,672)	270,023
	13,896,567	25,333,083	(26,261,418)	-	12,968,231

Analysis of charitable funds - Charity - prior year	Balance at 01-Apr-22	Net incoming resources	Net outgoing resources	Transfer	Balance at 31-Mar-23
	£	£	£	£	£
Analysis of unrestricted funds movements: Unrestricted Funds	1,833,139	4,177,190	(1,516,167)	2,049,491	6,543,653
Analysis of restricted funds movements: Restricted Funds	9,821,538	9,645,653	(10,064,786)	(2,049,491)	7,352,914
	11,654,677	13,822,843	(11,580,953)	-	13,896,567

17 Outline summary of restricted fund movements

Fund Name	Fund Balances				Fund
	Brought				Balances
	Forward	Income	Expenditure	Transfer	Carried
	01-Apr-23				Forward
	£	£	£	£	31-Mar-24
Arts Council - Under the Radar	93,213	(30,000)	11,305	30,000	51,908
Arts Council - The Factory grant	6,888,786	-	3,072,114	(3,816,672)	0
EFF - Creative Engagement Grant	71,583	100,000	88,058	-	83,525
EFF - Reinventing Performing Arts Grant	23,565	-	0	-	23,565
The Paul Hamlyn Foundation	54,118	68,841	116,701	-	6,258
Reframe	21,649	24,500	30,388	-	15,761
Bloomberg LP Grant	200,000	80,000	190,994	-	89,006
Granada Foundation Grant	0	10,000	10,000	-	-
Backstage Trust Grant	0	20,000	20,000	-	-
	7,352,914	273,341	3,569,560	(3,786,672)	270,023

Name of restricted fund	Description, nature and purpose of the fund
Arts Council - Under the Radar	Showcasing the UK artists at the Under the Radar festival in New York
Arts Council - The Factory grant	NPO Funding for delivery of MIF/The Factory Business Plan, including the MIF Festival activities. At the end of each financial year a transfer from restricted to unrestricted funds equivalent to the value of capital assets acquired is made.
EFF - Creative Engagement Grant	A five-year programme that transforms how people access, engage and benefit from the arts with three new approaches: creating a grassroots ambassador programme (Community Advocates), building more equitable partnerships with local organisations (Community Contracts) and developing useful skills for residents (a co-designed skills programme).
EFF - Reinventing Performing Arts Grant	Reinventing Performing Arts programme of work that is split across Digital (content and creation) and Talent Development strands.
The Paul Hamlyn Foundation	A four-year programme of community-led curation building on some of previous MIF successful models including public forums, co-curation, participatory commissions and digital innovation
Reframe	To support the development of young Black creatives as part of a national career acceleration programme co-ordinated by the Southbank and supported by Apple.
Bloomberg LP Grant	Funding for a Digital Accelerator programme that aims to help visitors navigate the new venue using digital screens and other tools.
Kickstart Grant	Funding helping MIF as an employer to create jobs for 16-24 year olds on Universal Credit

Outline summary of restricted fund movements - prior year

Fund Name	Fund Balances				Fund
	Brought				Balances
	Forward	Income	Expenditure	Transfer	Carried
	01-Apr-22				Forward
	£	£	£	£	31-Mar-23
Arts Council - Under the Radar	109,852	129,000	145,639	-	93,213
Arts Council - The Factory grant	9,483,468	9,165,600	9,710,791	(2,049,491)	6,888,786
EFF - Creative Engagement Grant	66,347	100,000	94,764	-	71,583
EFF - Reinventing Performing Arts Grant	47,548	0	23,983	-	23,565
The Paul Hamlyn Foundation	114,323	0	60,205	-	54,118
Reframe	-	29,000	7,351	-	21,649
Bloomberg LP Grant	-	200,000	0	-	200,000
Kickstart grant	-	22,053	22,053	-	-
	9,821,538	9,645,653	10,064,786	(2,049,491)	7,352,914

Analysis of net assets between funds - Group

31-Mar-24

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible	10,821,212	-	10,821,212
Intangible	765,448	-	765,448
Investment	-	-	-
Current assets	7,558,273	270,023	7,828,296
Current liabilities	(5,639,343)	-	(5,639,343)
Provision for liabilities	(129,370)	-	(129,370)
	<u>13,376,220</u>	<u>270,023</u>	<u>13,646,243</u>

Analysis of net assets between funds - Group

31-Mar-23

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible	2,653,228	0	2,653,228
Intangible	766,122	0	766,122
Investment	0	3,000,000	3,000,000
Current assets	4,967,975	4,871,896	9,839,871
Current liabilities	(1,773,344)	(518,982)	(2,292,326)
Provision for liabilities	(184,794)	0	(184,794)
	<u>6,429,187</u>	<u>7,352,914</u>	<u>13,782,101</u>

Analysis of net assets between funds - Charity

31-Mar-24

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible	9,479,182	-	9,479,182
Intangible	717,028	-	717,028
Investment	3	-	3
Current assets	7,909,516	270,023	8,179,539
Current liabilities	(5,278,152)	-	(5,278,152)
Provision for liabilities	(129,370)	-	(129,370)
	<u>12,698,208</u>	<u>270,023</u>	<u>12,968,231</u>

Analysis of net assets between funds - Charity

31-Mar-23

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible	2,410,728	-	2,410,728
Intangible	766,122	-	766,122
Investment	-	3,000,003	3,000,003
Current assets	5,309,952	4,871,893	10,181,845
Current liabilities	(1,758,356)	(518,982)	(2,277,338)
Provision for liabilities	(184,794)	-	(184,794)
	<u>6,543,653</u>	<u>7,352,914</u>	<u>13,896,567</u>

18 Share Capital

The charitable company is limited by guarantee and has no share capital. The liability of the members is limited. In the event of the charitable company being wound up, the liability of the members in respect of their guarantee is limited to £10. The members' liability applies during the time they are 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.

The wholly owned subsidiary Factory Academy Limited is limited by shares. Its share capital is £1.

The wholly owned subsidiary Factory International Trading Services Limited is limited by shares. Its share capital is £1.

19 Taxation

The Charity is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010.

Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

Given this, no tax charge arises on the charity.

The Group benefits from a tax refund of £1,568,172 (2023: £241,643), in respect of the losses MIF Productions incurred during the year in the course of delivering specific productions for MIF.

20 Operating lease commitments	Land & Buildings	Office Equipment	Land & Buildings	Office Equipment
	31-Mar 24	31 Mar 24	31-Mar 23	31 Mar 23
	£	£	£	£
Total of non-cancellable operating leases payments for the following periods:				
not later than one year	-	52,575	20,833	76,074
later than one year and not later than 5 years	-	-	-	38,974
	-	52,575	20,833	115,048

21 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 12 months to March 2024, the pension contributions charged to the accounts totalled £272,300 (£170,264 for the 12-months ended 31 March 2023).

Pension contributions of £50,770 were due to Scottish Widows at balance sheet date (2023: £Nil)

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.

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

MIF receives grant funding from Greater Manchester Combined Authority (GMCA), which is disclosed in note 2 as 'Other Public Funding Grants (inc. ALBs)'.

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 is a 100% wholly owned subsidiary of Manchester International Festival. At the balance sheet date, there was £1,774,476 (2023: £180,226) due to MIF from MIF Productions.

This is resulting from the intercompanies transactions related to the delivery of production, presentation and closure of the festival shows eligible for theatre and orchestra tax relief.

Factory Academy Limited is a 100% wholly owned subsidiary of Manchester International Festival.

At the balance sheet date, there was £455,999 (2023: £262,447) due to MIF from Factory Academy Limited.

This is relating to intercompany transactions related to general expenditure.

Income recharges to MIF relating to fulfilment of services of Aviva Naming Rights and Law Foundation agreements £589,690 (2023: £nil)

Cost recharges from MIF relating to general expenditure and resources £415,937 (2023: £218,705)

Factory International Trading Services Limited is a 100% wholly owned subsidiary of Manchester International Festival.

At the balance sheet date there was £1,155,232 (2023: £695,000) due to MIF from Factory International Trading Services Limited.

Income recharges to MIF relating to fulfilment of services of Aviva Naming Rights agreement £1,343,463 (2023: £nil)

Cost recharges from MIF relating to general expenditure and resources £1,245,496 (2023: £nil)

23 Derivatives

The charity has receivables in foreign currencies which are held by a third party.

The charity does not purchase forward foreign currency contracts to manage its foreign exchange risk.

No derivatives (2023: £Nil) were held at the balance sheet date.

At the balance sheet date, the charity had £327,552 (2023: £468,095) in foreign currencies.

24 Investments

MIF invested £1 in its subsidiary, MIF Productions (Registration number: 09308388, registered address: AVIVA Studios, Water Street, Manchester, M3 4JQ). The company delivers production, running and closure of productions presented at the MIF Festivals.

The turnover in the year to March 2024 was £4,744,464 (2023: £503,670), as the company was contracted by Manchester International Festival to deliver production, presentation and closure of the shows eligible for theatre and orchestra tax relief. The loss on ordinary activities before tax for the 12 months to March 2024 was £1,604,171 (2023: £191,864). The company made a loss after tax of £35,998 (2023: £49,779 profit). At the balance sheet date, net assets were £34,144 (2023: £70,143).

MIF invested £1 in its subsidiary, Factory Academy Limited (Registration number: 12978506, registered address: AVIVA Studios, Water Street, Manchester, M3 4JQ). The company delivers the programmes of skills and training to young adults that addresses the skills gaps within the Cultural sector.

The turnover in the year to March 2024 was £944,614 (2023: £77,967).

The profit on ordinary activities after tax for the 12 months to March 2024 was £169,933 (2023: £184,580 loss).

At the balance sheet date, net assets were (£14,646) (2023: (£184,579)).

MIF invested £1 in its subsidiary, Factory International Trading Services Limited

The turnover in the year to March 2024 was £3,045,828

The profit on ordinary activities before tax for the 15 months to March 2024 was £728,631

At the balance sheet date, net assets were £728,632

Manchester International Festival had no funds invested in two-year deposit accounts at balance sheet date (2023: £3,000,000).

25 Commitments

The charity had capital commitments of £115,373 for capital projects at the year-end, which were not reflected in the balance sheet for the period ended March 2024 (2023: £nil)

MANCHESTER INTERNATIONAL FESTIVAL

England & Wales - Charity number 1113902

Accounts

Manchester International Festival

Trustees' Report and Financial Statements

For the year ended 31 March 2023

Trustees' Annual Report and Financial Statements

For the year ended 31 March 2023

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Trustees' Annual Report

The Trustees are pleased to present the Trustees' Annual Report together with the audited consolidated financial statements of the charity and its trading subsidiaries for the 12-month period ended 31 March 2023 which are also prepared to meet the requirements for a directors' report, strategic report and accounts for Companies Act purposes.

Manchester International Festival (trading as Factory International) is a Charity registered with the Charity Commission under registration number 1113902. Its purposes are to promote, maintain, improve, develop, and advance public education by the encouragement of the arts.

Arts include music, opera, dance, singing, literature, and visual arts, and their promotion through the holding of festivals of culture, ideas, and creativity.

Our Vision and Mission Statement

As an arts organisation we have a simple but ambitious vision:

To Invent Tomorrow Together.

Our vision speaks directly to our mission:

Through art, music and culture, and in digital and physical spaces, we focus our activities on creating the meeting points between imagined futures and real lives.

Activities

Manchester International Festival undertakes a number of activities for the public benefit that can be broadly categorised into the following programmes:

Pre-Factory Events: a programme of events and projects designed to raise the profile of our new venue (AVIVA Studios) and our new brand, Factory International. Our last event in this programme, an installation by *Luke Jerram* entitled *First Breath*, took place in January 2023.

Manchester International Festival: a biennial Summer event taking place across the city that engages communities, audiences and the public in a variety of events and public installations.

Artistic Commissions: a programme of newly commissioned artistic productions that showcase the work of local and international artists for both digital and physical audiences, with a particular emphasis on supporting artists from under-represented groups.

Trustees' Annual Report

With the opening of Aviva Studios in October 2023, Manchester International Festival now has the opportunity to run a year-round programme of artistic commissions for its audiences.

Co-Commissioning & Co-Producing: a programme of public-facing artistic projects that are produced with other partners for presentation in both Manchester and other locations.

Internationally Toured Productions: a combination of international presentations with co-producers, onward touring of our own commissioned work (and work for other artists) and licensing for the use of our projects.

Digital Broadcasting: live and on-demand performances broadcast to digital audiences on our own platform.

Creative Engagement: a wide-reaching programme of public engagement, creative learning, artist development and co-designed activity that prioritises activity with Greater Manchester residents under-represented in the arts and cultural sector.

Factory Academy: a training and skills programme developed side by side with creative pioneers and industry experts to address skills gaps in the sector and increase opportunities for under-represented groups. Some activities delivered by the Academy are done so via Factory Academy Limited (company registration number: 12978506), a Limited Liability Company subsidiary of MIF.

As we develop into a venue-based organisation we plan to broaden our scope of charitable activities to also include:

Music Presentations: a combined programme of events delivered in partnership with commercial music promoters, or as our own-produced events.

Public Programme: an all-year series of largely free to access events that will enliven the building and attract wider audiences to the artistic programme.

Supporting our charitable activities, we also undertake commercially focused activities that include:

Commercial events and partnerships: Developing an ambitious programme that will feature exhibitions, premieres and branded experiences at Factory International, while building partnerships that will raise investment towards our digital innovation, IP and education initiatives.

Other Trading Activities: that includes the provision of food & drink in the venue, and the sale of merchandise related to our music and artistic productions.

Trustees' Annual Report

Additional to our public-facing activity there are significant organisational activities continuing to take place that will develop Factory International for its future as a venue-based organisation:

AVIVA Studios Transition Project: Substantial work was undertaken in 2022-23 to ready Manchester International Festival to take up operation in the new building.

The new building represents the largest investment in a national cultural project since the opening of Tate Modern in 2000 thanks to initial HM Government investment and financial backing from Manchester City Council and Arts Council England.

Our values

In setting and delivering all of our programmes and activities we are guided always by our organisational values – **open, equitable, inventive, international, and determined.**

We consider the positive impact that our activities will have for our audiences and local communities and measure impacts such as life outcomes, re-engagement with the cultural sector and the equitable representation of our beneficiaries in terms of ethnicity, gender, sexuality, disability and social mobility.

Our commitment to being equitable extends across all areas of our organisation and includes our frameworks around decision-making, our artistic programming, and our workforce. Through a range of targeted initiatives, we focus hard on creating an organisational culture that is open and welcoming for our workforce, our community participants and artists.

We also consider our local impact in terms of the environment and supply chain and where possible, we seek to locally source labour, goods and services that maximise the positive impact of our activities in the Greater Manchester economy.

We continue to make sector-wide interventions as members of Greater Manchester Arts Sustainability Team (GMAST), committing to ambitious sustainability targets across our artistic delivery, including our international work, making visible our green credentials and working with our partners to extend knowledge and expertise.

We actively support and advocate for greater accessibility provisioning in the creative sector for both audiences, artists and others working within the sector. Our own internal production pathways embed accessibility deliverables, and we have a range of resources to support our producers in holding conversations with artists and creative teams around embedding accessibility provision (e.g. captioning, BSL, audio description) into their commissions.

Trustees' Annual Report

Strategic Aims

On 29 September 2022, Factory International was launched to the public as the new and primary trading name of the organisation, with Manchester International Festival continuing as the brand name for the biennial Festival.

In May 2023, it was publicly announced that the new venue Factory International would operate would be called AVIVA Studios as part of a Naming Rights partnership with Manchester City Council. As of 31 March 2023, this information was not publicly available.

In October 2023, the doors to AVIVA Studios opened for the first time, welcoming audiences and visitors to the world premiere of *Free Your Mind* – a world first dance adaptation of the Matrix.

AVIVA Studios is an incredible landmark venue for Manchester and will give Factory International the opportunity for a year-round delivery of all of its activities, including creative experimentation, developing new combinations of art forms, commercial innovation and music, whilst also making a significant impact on the City and the sector through training for jobs in the cultural industries, and a deep level of community engagement.

Our strategic plan for this critical transitional period and beyond (2022 – 2026) is built around three strategic aims that align with our vision to Invent Tomorrow Together.

INVENT: To develop new models for thinking about, bringing to life and distributing creative work - through digital experimentation, commercial partnerships, social enterprise, and international collaborations.

TOMORROW: To create and deliver new possibilities for employment, training, and learning, with a focus on equity for those currently under-represented in our sectors.

TOGETHER: To establish our venue as a sustainable, open and far-reaching space for creative exploration and production, loved locally, and celebrated internationally.

In the opinion of the Trustees these objectives are consistent with the duty of the organisation 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.

Trustees' Annual Report

What We Did: Activities, Achievements and Performance

As a large charity and with several different programmes of activity, the following provides only a summary of the key highlights and achievements of what were delivered over the twelve months from 1 April 2022 – 31 March 2023.

The Festival, MIF23

Within the financial year, preparation for the 2023 iteration of Manchester International Festival (presenting 29 June – 16 July 2023) took place. As the first Festival to take place on the Aviva Studios site, substantial planning was undertaken to work alongside the capital build to ensure a successful series of events, including two essential Test Events to ensure a safe and positive experience for those visiting the venue for the first time.

With a focus of collaborating closely with partners across the city, Factory International spent much of the planning period developing partnership models and exploring joint projects for announcement. The collaboration with Royal Exchange Theatre for *untitled f*ck m*ss s**gon Play* was announced in November 2022. While more partnered work was a practical response to the workload issues arising from the venue opening year, it was well received both from Arts Council England and organisations across the City.

The full Festival programme launched in March 2023 at an event at New Century Hall.

Pre-Factory Events

Pre-Factory events were impacted by delays to the building with Neville Gabie's *Factory Works* and the building documentation project with work by artists Ming de Nasty, Helene Binet and Pawel Paniczko being moved back for presentation into the next financial year.

Factory International were however able to install its first artwork in the public realm with Luke Jerram's *First Breath* lighting up Manchester skies in January 2023. *First Breath* heralded the birth of both the new building and babies born in the month across Greater Manchester. Over 200 new lives across the city region were profiled and celebrated by a pulsating beam of light across the Manchester skyline. 7,466 people from all over Greater Manchester visited the outdoor installation throughout a rainy January. 267 residents from all ten districts of Greater Manchester applied to take part in *First Breath* with a smaller cohort of parents now acting as co-designers of Factory International's early years programme.

AVIVA Studios Transition Project

The Factory International name was secured and trademarked, and our headline naming rights sponsor was confirmed in June 2023 as AVIVA.

Trustees' Annual Report

On 29 September 2022, we officially announced our rebrand to Factory International with a Press Launch, Development event and new website, leading with the announcement of two key commissions: You Me and The Balloons, a visual art exhibition which opened at the start of MIF23, and Free Your Mind, our opening commission in October 2023.

Over 500 news features were published online, in print and broadcast with 50% of the coverage from international news outlets across 33 countries. 38% of the coverage was national with 12% from local broadcasters and news outlets. Broader public reach was strong with the announcement generating 31,241 website views and 28,251 social media impressions. The first three headline commissions were announced bringing ambitious new work to the region alongside embedding community decision-making into Factory International's vision To Invent Tomorrow Together.

The addition of the Venue Director to the Executive Team in September 2021 developed further detailed planning around the transition to the venue, including identification of critical paths and milestones that will ensure the effective management of the project. Throughout 2022-23, Manchester International Festival undertook substantial recruitment, including on-site Visitor Experience, Facilities and other venue-focused teams to support delivery of the new building, onboarding 96 permanent, casual and FTC roles.

The transition plan is actively reviewed on a monthly basis by the wider Executive team and internal project team, alongside the production of a RAID log that identifies and manages key risks.

MIF (through its trading subsidiary, Factory International Trading Services) also procured a Food & Beverage (F&B) partnership with Super Serve, a new company backed by Solitaire Holdings & Square One Events under the direction of an F&B Board sub-committee. This partner reflects the values of MIF and the audiences MIF wants to attract and is an exciting and innovative team with the ability to create a bespoke catering offer. Other substantial procurement exercises included facilities management, utilities, FF&E and network connectivity.

Digital Broadcasting

Digital focused its activity on strategically planning the broadcast offer for both the Festival and the new venue. This included a strategic review of what the staffing model would need to be and development of a framework for delivery which allowed staff to model three scales of broadcasts, some to be delivered internally and others with a larger team. Several cross departmental meetings took place featuring members from commercial, music, producing and technical to shape this thinking.

Trustees' Annual Report

Digital Innovation and R&D

Our work focused on fundraising for the experience design of the building working with stakeholders like Arup and our Visitor Experience and Operations teams. With support from Bloomberg, development work took place to directly address a key priority in the digital strategy which is to connect visitor services with digital products and content, creating a welcoming, inventive, and blended visitor experience which brings the Factory International brand alive. Over this period, equipment was purchased, and development workshops were undertaken looking at these three areas:

- The tech stack, products, and system integrations sitting behind digital experiences in the venue.
- UX design and visitor touchpoints in the space
- User testing

International

Factory International's global leadership role extended across the sector between April 2022 and March 2023 with 18 external presentations spanning curatorial, environmental, digital and education sectors from Montreal to London.

Beyond Manchester, the reputation of the city was being extensively exported globally with performances of original commissions made in Manchester presented in seventeen countries between April and September including in Spain, Switzerland, Singapore, Germany, USA, The Netherlands, Italy and Finland.

Productions that presented internationally included Akram Khan's *Giselle*, *Tao of Glass* (MIF19), *Tree of Codes* (MIF15) and *Maggie the Cat* (MIF19), *Last and First Men* (MIF17), *Biometric Theatre* (new commission by Rafael Lozano-Hemmer) and *10000 Gestures* (MIF17).

Factory International also supported three UK productions at Under the Radar Festival in New York in January 2023 attracting a cumulative audience across this programme in the tens of thousands.

Planning for International Weekend (29 Jun-2 Jul 2023) took place during the 12-month reporting period, with 145 guests attending MIF23 in the first weekend from 101 organisations across 23 countries in Europe, North America, South America, Asia, Africa and Australasia.

Creative Engagement

Central to Factory International's mission is the need to reflect our ambitions in our civic offer, including our artist development programmes and creative learning opportunities. New workstreams across schools have been developed over the last year, including the creation of a zine (supported by Apple) as part of national programme with the Southbank in London, and preparations for several events supporting Festival

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programming. Creative Learning continues to intersect with our Factory Academy skills and training programme with clear development pathways both for our Academy alumni and school leavers into creative careers.

On 29 September 2022, MIF officially announced a rebrand as Factory International. This announcement was enhanced with public realm advertising throughout Greater Manchester (GM), social media campaigns and a roadshow which took our plans and ambitions directly into our communities.

A new cohort of Neighbourhood Organisers supported the roadshow, developing grassroots activity in their neighbourhoods to raise the profile of our intent to improve the cultural and creative experiences of GM residents. The Neighbourhood Organisers all received small activation pots of funding to support local initiatives reaching total audiences of just over 4,000 people between April and September.

Over 3,500 residents across GM actively engaged with the roadshow enjoying interactions at events such as the Khushi Festival, Stalybridge Street Festival, Refract Festival at Waterside and the BeeWell Festival. Public consultation also took place at these events highlighting ongoing travel barriers/challenges for members of the public to reach the city centre (price, late night transport), and requests for more free and low-cost activities for children and for more accessible relaxed performances of events.

Factory International's creative learning programmes with schools, children and young people also expanded in 2022-2023. Pilot activity was delivered to test out ideas for a new School's Partnership Programme (now launching in September 2023). The pilot took place in primary, secondary, SEND and informal learning environments engaging 153 children and young people. 75% of participants were from a black Asian and ethnically diverse background with 24% identified as having disabilities, 48% in receipt of free school meals and 52% receiving pupil premium. The pilot activity was successful in both creatively engaging with the children and helping to inform Factory International's new School Partnership Programme launching in September 23.

Artist Development plays a key role in our contribution to building skills and employment across the city with three key programmes taking place in this funding period including An Introduction to Virtual Tools (supported by Esmée Fairbairn Foundation Reinvent Fund), Factory Sounds, (a micro commissioning programme for Greater Manchester musicians) and Factory Fellows, a mentoring and observational programme for emerging GM artists. All programmes had financial bursaries attached to create greater access for artists to invest time in their development.

The community engine of Factory International is based on developing equitable and sustained relationships with residents at the heart of everything we do. A number of new initiatives have taken place within this funding period to help build excitement and anticipation around Manchester's latest cultural offer including an innovative new

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Community Partnership programme. This will provide direct financial and in-kind organisational support to four community hubs across the city hosting localised Factory Academy training and life-long learning programmes directly in neighbourhoods. A second new initiative will be a co-designed three-year partnership with two Greater Manchester boroughs, Wigan and Rochdale, involving a bespoke skills and training offer and targeted artist development opportunities.

The Factory Academy

Factory Academy is our programme for imparting the technical skills and the essential personal and professional behaviours needed to succeed in the creative and cultural industries. From October 2022 these activities have been undertaken via a Limited Liability Company subsidiary, Factory Academy Limited (company registration number: 12978506) that is wholly owned by Manchester International Festival.

This period saw the delivery of 12 programmes offering fully funded places to 250 Greater Manchester residents with 82% of students providing diversity and inclusion data reporting at least one characteristic which is under-represented.

Courses included Managing Creative Projects, Social Content Creation, Broadcast and Film Production, Foundations in Freelance and Leadership Development Programmes.

Alongside the training opportunities, alumni continue to secure employment with Factory International across Administration, Audiences, Skills and Training and Creative Engagement teams.

What our students say:

"I've found that the programme gives such a realistic insight into the industry. You get a clear vision of the hours and what working life is like. The professionals we have met have been so open and honest about what it is like to work in this industry. It's been a very human experience"

Other Activities and Achievements

Across the 12-months of April 2022 – March 2023, the organisation continued its transformation into a venue-based arts organisation. As such, other major strands of essential strategic planning-led activities continued to take place.

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Business Planning

During this financial period, MIF continued to develop and revise its business plan to cover the scope of its work over the next three years (2023 to 2026). Due to changes to the scheduled opening date, the budget for the financial opening year (2023 – 2024) needed to undergo significant revision (compared to the December 2021 Business Plan). The change in opening dates required adaptations to the opening artistic programme, onboarding of recruitment and rephrasing of venue-related costs. Whilst opening the building in October 2023 was a milestone achievement, there remain elements of commissioning work that continue to impact on the ability to programme the venue in an unhindered manner. As such, the budget for the financial opening year has remained under regular and close review, adapting to changed scenarios and learnings around our newer categories of venue operating costs.

At the end of December 2023, the budget for the next year (ending March 2025) has been fully reviewed and updated, with planning work continuing to take place on the next financial year beyond which will include MIF25 Festival. The latest financial plans replace the earlier December 2021 Business Plan forecast which itself will be replaced by a revised version in December 2024.

Going forward, the Business Plan will be reviewed and revised on a quarterly basis, strengthening our financial risk management and driving informed and responsive decision-making from across the organisation.

Financial Planning

As part of the Business Plan, our annual budget for April 2024 to March 2025 has also been finalised and reviewed with sign-off by the Board.

Regular quarterly reviews of the annual budget are also supplemented by monthly reviews with key income and cost centres - particularly relating to the artistic programme and sponsorships and donations – ensuring that responsive and corrective decision-making takes place as and when required.

Fundraising Activities

MIF employs an in-house Development team who are responsible for fundraising for the Festival and the venue.

In addition to our public sector income, and donations from individual philanthropists, and Trusts & Foundations, the fundraising team generate income support from a range of corporate partners and through memberships and individual supporter donations at

Trustees' Annual Report

point of ticket purchase. Except for our National Portfolio Organisation (NPO) funding and income from Trusts & Foundations, funds raised are largely unrestricted.

Our fundraising strategy is developed in accordance with our company policies relating to General Data Protection Regulation (GDPR) and Ethics. Our fundraising activities strictly follow Code of Fundraising Practice and standards set out by the Fundraising Regulator. Gift Aid is claimed in accordance with HMRC policy.

All donations are processed directly by the Development and Finance teams, except for membership and box office donations which are processed through our ticketing system (Spektrix) and by our box office teams who receive donation training as part of their induction. Donations from the public are given at the point of ticket sale, so no approaches to vulnerable individuals are made.

In the financial period ended March 2023 there were no reported complaints relating to fundraising.

Change to Governance and Management

During the 12-month period ending March 2023, the annual Board recruitment process for new Trustees was put on hold following the renewal of a number of existing Trustees. There was only one registered appointment of Sharon Watson MBE in September 2022 that was a deferred appointment from an earlier recruitment cycle.

In September 2022, the organisation undertook a Board effectiveness survey with outside specialist support. This survey provided a basis for a full review of existing governance structures that will be enacted in the next financial year.

Management and Staffing

There were limited changes in key management staff during this period, with one additional appointment to the Executive team:

- Creative Director Kee Hong Low, joined April 2022

There was an increased volume of recruitment in the period with some key business critical roles being onboarded as part of operational readiness for the venue opening.

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Financial review

The group generated a positive surplus (before tax) over the 12-month financial period ended March 2023 of £1,865,421 with the result that reserves increased from £11,675,037 to £13,782,101. The Reserves Policy has required reserves to build in advance of the venue opening in order to support the programme of capital investment in Fixtures, Fittings & Equipment.

A comparison of the results of this 12-month financial period ended March 2023, to the previous 18-month financial period ended March 2022, requires acknowledgement of the last financial period being presented on an 18-Month basis, and also including the delivery of the biennial Festival.

Donations and Legacies

After adjusting for the 18-month last financial period, the amounts of income from donations and legacies, was broadly equivalent with a total of £12,065,425 from Grants and Donations.

The larger part of donated income is provided by Arts Council England (ACE). This includes both a National Portfolio Organisation (NPO) restricted funding agreement (initially secured in April 2018) for the ongoing development of Factory International, and an unrestricted funding agreement to support our Equalities Representation Action Plan that puts our commitment to artist, audience and people diversity at the core of our business plan. In this 12-month financial period, the total amount of ACE funding (including one-off projects) was £10,037,150, which is broadly equivalent to the prior financial period ended March 2022.

Our other principal and unrestricted grant funding agreement is with Manchester City Council (MCC), which was primarily in support of the Festival. In this 12-month financial period, the total amount of MCC funding was £1,500,000 and equivalent to the annualised grant amount in the prior period ended March 2022.

In addition to public funding, Factory International continued to be supported with income from Trusts & Foundations to support key areas of programming activity – in particular our creative engagement programme. In this 12-month financial period, the total income from across two foundations was £369,000, an increase of £100,907 from the prior annualised financial period amount.

Income from Charitable Activities

Income from charitable activities represents the many activities that Factory International undertakes for public benefit, which includes income from the Festival

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itself, and income from other non-Festival activities such as touring activities, Creative Engagement and Factory Academy.

Total group income for the 12-month financial period from charitable activities was £1,606,110. Unlike in the prior financial period, only a small proportion of income is directly related to the Festival itself, with significantly greater charitable income from co-commissioning and international presentations.

Income for non-Festival charitable activities includes £165,017 from the Factory Academy programme of activity which as described in the Trustees Report, provides pre and post-employment training for under-represented groups in the cultural sector. The Factory Academy income relates to secured sub-contracting funding agreements with third-party learning bodies to provide training that is ultimately funded by the Adult Education Budget (AEB). These funding agreements start and finish in line with the Academic Year (September to August). As part of restructuring the activities of the Group, funding agreements for the Academic Year from September 2022 to August 2023 have been undertaken through the trading subsidiary, Factory Academy Limited, rather than through the parent Charity.

Expenditure on Charitable Activities

Expenditure on charitable activities presents expenditure on activities that are again undertaken for the public benefit, including the Festival itself and other year-round charitable activities such as Creative Engagement and Factory Academy, and those related to the transition to Factory International.

A presentational change has been made to how activities are described in the notes to the accounts which supports a clearer understanding on the breadth of activities of Factory International now that it operates in a year-round venue. The next financial year accounts will provide a good basis for comparison of levels and proportionality of charitable expenditure.

Overall charitable expenditure across the 12-month financial year was £10,608,587 which represents the majority of total expenditure aside of the expenditure going towards the raising of funds.

Taxation

Across the 12-months to March 2023 the Group accrued a taxation benefit of £241,643 that is in relation to creative tax reliefs claimed by MIF Productions in respect of eligible commissioned work.

Irrecoverable VAT continues to be an additional cost for the organisation as a result of some free activities within the Festival being defined as 'non-business' for tax purposes.

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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. The Charity endeavours to make best use of available funds by investing these funds in interest bearing deposit accounts, which in the 12-months to March 2023 generated interest of £125,089.

Reserves Policy

MIF's Reserves Policy is reviewed and updated annually as part of the organisation's longer-term strategic financial planning and risk management. In setting the Policy and the target for general reserves, a number of factors are considered including the general level of risk within the current and future operations; the reliability of forecasted revenue and expenditure projections and the extent of cover required for overheads.

The Reserves Policy is set to ensure that MIF can continue to deliver its charitable objectives both throughout this transition period to Factory International and beyond. The level of risk in the financial year ahead is considered to be significant, as the organisation establishes new lines of revenue and completes on the project to open AVIVA Studios to audiences for the first time.

As at the end of March 2023, the total value of restricted funds were £7,352,914 and the total value of unrestricted and general funds were £6,429,187. The restricted funds are for contribution (from the ACE funding agreement) towards the ongoing acquisition of Fixtures, Fittings & Equipment (FFE) for the operation of AVIVA Studios.

Looking ahead and beyond March 2023, the following reserves are required for the successful opening and ongoing operation of AVIVA Studios:

Unrestricted Funds:

- **Capital Depreciation Reserve** equivalent to the NBV of fixed assets on the balance sheet, and reduced each year by an amount equivalent to the depreciation charged to the SOFA in respect of those assets being utilised. At end of March 2023, the value of the capital depreciation reserve is £3,419,350. The capital depreciation reserve is unrestricted and is assigned for this purpose, pending more formal designation by Trustees.
- **Sinking Fund Reserve** of c.£0.4m is required only after the first full opening year of AVIVA Studios at March 2025. This reserve is to grow and build each year by an equivalent amount to contribute towards the capital replacement cycle of the venue over the 30-years of the lease. This fund is unrestricted and is assigned for this purpose, pending more formal designation by Trustees.

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- **General Reserve** that is set at a targeted level taking into consideration the risks associated with the organisation's operations and which seeks to provide sufficient cover to allow the organisation to continue its charitable purposes in the event of an adverse impact to its unrestricted income.

The target value of the General Reserve ahead of opening AVIVA Studios at March 2023 was previously targeted to be £4.0m. At end of March 2023, the value of the general reserve is £3,009,837. The level of reserves achieved was below target primarily as a result of revenues from sponsorships & partnerships being reduced by delays to the opening of the venue.

The expected value of the General Reserve at March 2024 has been set at £1.0m, reflecting an absolute minimum level of reserves that the organisation wants to hold. General reserves in the next financial period have been heavily impacted by delays to the opening of the venue. As covered in the risk management section, there is an outstanding funding request with MCC of £1.5m which will increase general reserves to a more sustainable level.

Beyond March 2024, the organisation will look to rebuild reserves back to a sustainable level of £3.0m. This figure is based on an estimate of three months' cover for committed overheads include staffing and property. These funds will by nature be unrestricted.

Restricted Funds:

- **Capital Purchase Reserve** which is equivalent to the value of assets that the Group needs to acquire in order to effectively deliver the Business Plan. As at March 2023, the Group had a significant value of Fixtures, Fittings, and Equipment still to purchase in order to operate AVIVA Studios. A shared funding agreement is in place with MCC meaning that 54.9% of the total asset value purchased is externally funded. At the end of March 2023, the value of the capital acquisition reserve is £7,352,914. The capital acquisition reserve is restricted up until the time that the asset is purchased, thereafter funds are unrestricted via a transfer to unrestricted funds.

Going Concern

The charity's future period plans are set out below. The group manages the risk around its activities with positive restricted and unrestricted reserves. The charity relies on funding from both Central Government (paid via Arts Council England) and Manchester City Council to effectively manage its reserves.

In April 2022, the charity submitted a new funding application to Arts Council England for the three-year period ended March 2026. This was for an enhanced level of financial support totalling £9.9 million per annum. Manchester International Festival received

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confirmation from Arts Council England on 4 November 2022 that the NPO funding application had been successful.

Alongside the long-term financial support of Arts Council England, MIF also receives long-term financial support from Manchester City Council totalling £1.5m per annum. The funding received in this 12-month financial year was covered by an extended grant funding agreement. From March 2024 onwards, this will be replaced by a Management Agreement (non-grant funding) which will operate alongside a set of KPIs related to the operation of the venue.

In addition to revenue funding, Manchester City Council has also provided other exceptional and non-recurrent funding which to date has included £7.3m of critical and essential support for the fit-out requirements of the venue, and £0.6m of funding towards the adverse impacts of the venue opening-delay on the organisation's financial plans. Both of these additional revenue funding agreements will be drawn-down and recognised in the next financial period.

At the time of signing, an additional funding request has been made to Manchester City Council for £1.5m to cover additional adverse impacts related to the post-opening period, when additional building commissioning work had a significant disruptive impact on Factory International programming from January to March 2024. The status of this funding request will not be confirmed until end of June 2024.

The Trustees have undertaken a full review of the current short-term and long-term financial plans and the cashflow forecast through to 31 March 2025, giving necessary and due consideration to the wider organisational context and macro-economic challenges. Following this review, the Trustees are of a view that the charity is a going concern, with sufficient cash balances to be able to meet its obligations as they fall due.

Plans for future periods

The next financial period ending March 2024 covers both the Festival (MIF23), the critical period of moving into AVIVA Studios and the first six-months of operating and delivering programme in the venue.

The scope and volume of activities in the next financial period will be more significant than in any previous financial period. MIF will continue to deliver its direct charitable activities whilst delivering key workstreams that are critical to the organisation developing its operating model in readiness for opening Factory International.

The following presents a non-exhaustive list of the key areas of activity that the organisation will deliver between April 2023 – March 2024:

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Festival

- Production and delivery of the next 18-day Festival artistic and music programme - MIF23 (July).
- Recruitment of additional fixed-term and freelance resource to deliver the Festival including a programme of volunteers, public participants and interns.

Factory International Opening Programme

- *Free Your Mind*: a large-scale journey into The Matrix through dance and immersive design, specially created for the opening of Factory International. Directed by Manchester's own Danny Boyle, it featured hip hop choreography by Kenrick 'H2O' Sandy, a powerful score from composer Michael 'Mikey J' Asante (co-founders of Boy Blue), eye-opening staging from world-leading designer Es Devlin, alongside words from acclaimed writer Sabrina Mahfouz and costumes by iconic fashion designer Gareth Pugh.
- *The Welcome*: the venue's first public engagement, curated by the Factory Assembly – a diverse group of people aged 17 – 70 from across Greater Manchester.

Non-Festival Charitable Activities

- An ongoing programme of international touring activities – presenting co-commissioned premieres from previous Festival at co-commissioner venues and delivering training and managed touring support to international partners.
- A growing programme of Community Engagement work focusing on connecting emerging talent and communities with Factory International.

Trading activity

- A number of training programmes as part of The Factory Academy working alongside Greater Manchester employers to ensure future skills development in the sector.

Factory International transition

- Ongoing production of the opening artistic programme for Factory International.
- The ongoing development of the new brand, Factory International, that will replace MIF as the trading name of the organisation when operating from the new venue.
- Audience development programme that will ensure the project attracts a volume of diverse and engaged audiences.
- Marketing of the venue for potential hires and developing a pipeline of bookings for when the venue opens.
- Procurement and fit out of all FF&E requirements for the new building that includes a range of specialist technical and generic equipment needed to deliver activities in the venue.

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- Building the capacity and scale of MIF in readiness for opening which includes the learning and development of our staff and management teams.

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 September 2014. The company became a registered charity on 26 April 2006.

Directors and Trustees

MIF is governed by a diverse Board of leaders from business, arts, local government and communities. 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 (except for 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 Trustees

The Board may, by ordinary resolution, appoint a person who is willing to be a Trustee. The Schedule of Delegation requires that all new appointments go through a process with the Nominations Committee who then makes a recommendation to the Board on the suitability of persons to appoint.

Manchester City Council currently has appointed two persons as Trustees to the Board and retains the powers to change these appointments as required. A Trustee appointed by Manchester City Council may at any time be removed from office only by notice in writing by the City Council.

All other Trustees are subject to retirement after four years. A Trustee 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 annual budget, the most recent management financial statements and papers from the previous two Board meetings. Additional training is made available to all new Trustees to ensure that they are well supported to be able to carry out their responsibilities.

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Organisation

The Trustees administer the charity. They meet as a Board quarterly and through various sub-committees - Finance & Audit, HR, Commercial and Nominations - which meet prior to each main Board meeting.

The four meetings align with quarterly financial and performance reporting and external funding reporting to strengthen Board scrutiny of company performance. For the fifth meeting, the Board undertakes an annual full day retreat to ensure focus on long term strategy.

In addition to the four standing sub-committees, there is also an 'as required' Committee for ethics-related issues, and various time limited working groups which convene around topics such as key leadership appointments, key funding submissions, and key procurement activities related to the operating model. Individual members act as Board-nominated leads on specific areas including Equalities and Safeguarding.

A CEO & Artistic Director is appointed to set the strategic direction and 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.

Subsidiaries

On 12 November 2014, a subsidiary MIF Productions (company number 09308388) was incorporated to deliver specific dramatic and music 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.

On 27 October 2020, a subsidiary Factory Academy Limited (company number 12978506) was incorporated to deliver the Factory Academy programme of activities. The subsidiary is a private company with a £1 share issue and is wholly owned by MIF. The subsidiary actively traded for the first time within this 12-month year ended March 2023. The Charity has therefore consolidated the results of Factory Academy Limited for the first time, covering its seven-month trading period from September 2022 to end March 2023.

On 23 December 2022, a further subsidiary, Factory International Trading Services Limited (company number 14556931) was incorporated to deliver the business activities of the organisation that are not part of the primary charitable purposes of MIF. These more business-led activities include the programme of commercial events, naming rights partnership, merchandise and food & drink.

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Factory International Trading Services Limited is a private company with a £1 share issue and is wholly owned by MIF. Given the materiality of the transactions that have gone through the trading subsidiary, the Charity has consolidated interim financial results of Factory International Trading Services Limited in its accounts for this period. In the next accounting period ending March 2024, 15-months of financial performance for the subsidiary will be consolidated, with an adjustment for the interim results included in this period.

Related parties

Information concerning the related parties is detailed in note 21 of the financial statements.

Risk management

Like many venue-based organisations, the wider economic environment is presenting significant risks and challenges that the organisation is needing to actively manage.

Rising inflation, particularly for gas and energy has had significant financial impacts on our forecasted plans, and we are acutely aware of the impact of the cost of living for both our audiences and our employees. These impacts are actively managed through a range of responses including energy efficiency initiatives, an affordable AVIVA £10 ticket offer, an accessible food and drink offer in venue, and annual cost-of-living awards to employees.

Other high risk supply-related issues include the availability of essential resource that is particularly acute within the technical production teams where earlier market shifts related to COVID have resulted in significant shortages in skilled resource that are available to work on permanent contracts.

Key areas of financial risk specific to the business model for the organisation, include:

- failure to fully meet all income targets (specifically box office, co-commissioning income, sponsorship, and philanthropic donations) and;
- failure to meet expenditure targets especially around larger and more complex artistic projects.

To mitigate these risks the organisation meets on a regular basis to review both the income and expenditure projections around the artistic programme and to take responsive corrective action. All production budgets include a 10% expenditure contingency to support the management of unavoidable cost overages. Further unavoidable increases beyond the available contingency are subject to close review during the quarterly financial planning periods and approved only if offsetting measures are available.

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Deficits in co-commissioning income are generally known in advance of all production costs being incurred and can be managed, to an extent, through reducing associated production expenditure. Co-commissioning targets for individual projects are set based on previous and equivalent projects and organisational knowledge around how the project will be valued by counterparts.

Box office income risk by nature is realised much later in the production pathway than co-commissioning income. Risk management of box office income begins with setting reasonable targets which are based on an audience capacity that is less than 70%, including projections around concessions, and discounted tickets. Income performance is reported weekly and responsive marketing initiatives are undertaken to drive improvements in lower-performing areas.

Sponsorship income is also regularly reviewed by management, the Finance & Audit Committee and the Commercial Committee. When income projections are expected to be below target, all organisational budgets are reforecast to manage and mitigate the reduced income.

As the organisation transitioned to the venue, the areas of commercial risk broadened to include other revenue lines including food & drink, merchandise and music and event hires. To manage this increased risk, the organisation commenced regular commercial revenue review meetings, bringing together accountable members of the senior management team, to track performance against target and respond proactively to introduce supporting initiatives.

Further delays and shifts to the opening timeline for the venue was previously recognised as a significant area of risk that the organisation needed to manage. The delay from June opening (ahead of the Festival) to October had significant financial impacts on the organisation, largely relating to the loss of in-venue revenue-generating activity and added expenditure to deliver a Festival in an incomplete venue. To partially manage these impacts, Manchester City Council provided additional and exceptional funding of £0.6m which was received in September 2023.

Whilst the building was able to successfully open to audiences in October 2023, there remained additional commissioning works that needed to take place in order for the building to become practically complete. As a result, there has been further disruption to the venue across January to March 2024, resulting in intermittent and significantly reduced programming. The financial impact of this ongoing work has been estimated at £1.5m and a further request for additional and exceptional funding has been made to Manchester City Council for this equivalent amount. At the date of signing, the status of the £1.5m funding request is unknown and pending review by MCC in June 2024.

As a result of these significant external impacts related to the commissioning of the venue, the general reserves expected at the end of the next financial year ending March 2024 are lower than previously targeted. Rebuilding the level of general reserves

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is a primary financial objective with the target to achieve and maintain an ongoing level of £3m of general reserves from March 2025 and onwards.

Whilst the status of the £1.5m MCC funding request remains uncertain at the time of the accounts signing, the risks around having lower than targeted general reserves will be proactively managed through regular reforecasting of the next 12-month financial period budget, prioritising cost-optimisation and prioritisation of activities.

Alongside financial and commercial risks, the charity regularly reviews all other categories of risk as a standing item at both the Finance & Audit committee meetings and at the main Board meeting. Action is taken to mitigate and minimise those risks deemed significant and likely to occur.

Indemnity

During the 12-month financial period, 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	AVIVA Studios Water Street Manchester M3 4JQ
Legal form	Company limited by guarantee
Auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	The Co-operative Bank P O Box 250, Delf House Southway Skelmersdale WN8 6WT
Solicitors	Eversheds Sutherland 6 Stanley St Manchester M3 5GX

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Directors and Trustees of Manchester International Festival:

Moira Sinclair OBE (Chairwoman, appointed March 2024)
Pat Bartoli (nominated by Manchester City Council)
Cllr Luthfur Rahman OBE (nominated by Manchester City Council)
Richard Paver
Sir Howard Bernstein
Richard Bell
Cathryn Wright
Jamil Khalil
Alan Bishop
Maria Balshaw CBE
Jo Whitfield CBE
Ngozi Ugochukwu
Fazeel Barber
Lamia Dabboussy
Laura Jordan-Bambach
Grace Ladoja MBE
Ibrahim Mahama
Shaminder Nahal
Gary Neville
Sharon Watson (appointed September 2022)

Company Secretary:

Hannah Cork

Key Management Personnel:

Chief Executive Officer & Artistic Director - John McGrath
Executive Director – Randel Bryan
Director of Finance & Resources – Hannah Cork
Venue Director – Sheena Wrigley
Creative Director – Kee Hong Low (appointed April 2022)

Auditor:

The auditor, Saffery LLP, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

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

Trustees' Annual Report

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 Second Edition of 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.

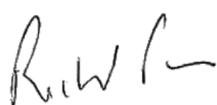
The Trustees are also additionally responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On order of the Board of Trustees and signed on their behalf



28 March 2024

Richard Paver, Trustee and Chair of the Finance and Audit Committee

Independent Auditor's Report

to the members and trustees for the year ended 31 March 2023

Opinion

We have audited the financial statements of Manchester International Festival (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including 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 affairs of the group and the parent charitable company as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the period 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.

Basis for opinion

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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent Auditor's Report (continued)

to the members and trustees of Manchester International Festival

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 which includes the Directors' Report and the Strategic Report for the 12-month financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate 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

Independent Auditor's Report (continued)

to the members and trustees of Manchester International Festival

- the parent charitable company 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 25, the Trustees (who are also the directors of the parent 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group 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 the 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Independent Auditor's Report (continued)

to the members and trustees of Manchester International Festival

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with Trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Independent Auditor's Report (continued)

to the members and trustees of Manchester International Festival

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

.....

Saffery 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 12 months ended 31 March 2023

		Unrestricted	Restricted	12 Months Ended	Unrestricted	Restricted	18 Months Ended
		£	£	31 Mar 2023	£	£	31 Mar 2022
		£	£	£	£	£	£
	Note						
Income:							
Donations & Legacies	2	2,419,772	9,645,653	12,065,425	3,719,961	14,256,422	17,976,383
Charitable Activities	3	1,606,110	-	1,606,110	2,094,394	-	2,094,394
Other Trading Activities	4	104,186	-	104,186	48,204	-	48,204
Investments	5	125,089	-	125,089	82,377	-	82,377
Total income		4,255,157	9,645,653	13,900,811	5,944,936	14,256,422	20,201,358
Expenditure:							
Cost of raising funds	6	649,505	777,297	1,426,802	357,369	536,054	893,423
Expenditure on charitable activities							
Festival Costs	7	257,119	1,024,552	1,281,671	6,141,719	4,983,606	11,125,326
Other Charitable Activities	7	1,063,979	6,004,253	7,068,232	-	6,824,998	6,824,998
AVIVA Studios Transition costs	7	-	2,258,684	2,258,684	-	6,824,998	6,824,998
Total expenditure		1,970,603	10,064,786	12,035,390	6,499,088	12,344,658	18,843,747
Net income / (expenditure)		2,284,554	(419,133)	1,865,421	(554,152)	1,911,764	1,357,612
Taxation	18	241,643	-	241,643	128,039	-	128,039
Net movement in funds after tax		2,526,197	(419,133)	2,107,063	(426,114)	1,911,764	1,485,650
Transfers between funds	15	2,049,491	(2,049,491)	-	-	-	-
Total funds brought forward:							
At 1 April 2022	15	1,853,499	9,821,538	11,675,037	2,279,613	7,909,774	10,189,387
Total funds carried forward	15	6,429,187	7,352,914	13,782,101	1,853,499	9,821,538	11,675,037

These results derive from continuing activities and all gains and losses recognised in the year are included in the above statement.

The notes on pages 35 to 49 form part of these financial statements.

Group and Charity Balance Sheet

As at 31 March 2023

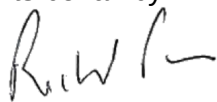
		Group 31 Mar 2023	Charity 31 Mar 2023	Group 31 Mar 2022	Charity 31 Mar 2022
Note		£	£	£	£
Fixed assets:					
Tangible assets	11	2,653,228	2,410,728	171,947	171,947
Intangible assets	11	766,122	766,122	283,146	283,146
Investments	23	3,000,000	3,000,003	5,000,000	5,000,001
Total Fixed Assets		6,419,350	6,176,853	5,455,093	5,455,094
Current assets:					
Debtors	12	1,387,759	2,179,049	1,110,310	1,085,357
Cash and bank balances		8,452,111	8,002,797	6,091,073	6,077,004
Total Current Assets		9,839,871	10,181,845	7,201,383	7,162,361
Liabilities:					
Amounts falling due within one year	13	(2,292,326)	(2,277,338)	(981,439)	(962,778)
Net current assets		7,547,545	7,904,508	6,219,944	6,199,583
Provisions for liabilities	14	(184,794)	(184,794)	-	-
Total Net assets		13,782,101	13,896,567	11,675,037	11,654,677
Funds:					
Unrestricted Funds - General	15	6,429,187	6,543,653	1,853,499	1,833,139
Restricted Funds	15	7,352,914	7,352,914	9,821,538	9,821,538
		<u>13,782,101</u>	<u>13,896,567</u>	<u>11,675,037</u>	<u>11,654,677</u>

The Charitable company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Statement of Financial Activities. The parent company's net surplus for the year was £2.24m (2022: net surplus £1.49m).

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

Richard Paver

Date: 28 March 2024



The notes on pages 35 to 49 form part of these financial statements

Group Statements of Cash Flows

for the 12 months ended 31 March 2023

	Group 2023 £	Group 2022 £
Cash inflow from operating activities		
Surplus after tax for the year	2,107,063	1,485,650
Adjustment for non-cash items		
Depreciation and amortisation	200,026	145,101
Increase in debtors	(277,450)	(398,858)
Increase in creditors	1,310,887	25,777
Provision for liabilities	184,794	
Net cash flow from operating activities	<u>3,525,321</u>	<u>1,257,670</u>
Cash flow from investing activities		
Payments made to acquire fixed assets	(3,164,283)	(536,206)
Maturity of long term deposit	2,000,000	-
	<u>(1,164,283)</u>	<u>(536,206)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Increase in cash and cash equivalents in the year	<u>2,361,038</u>	<u>721,463</u>
Cash and cash equivalents at beginning of the year	<u>6,091,073</u>	<u>5,369,610</u>
Cash and cash equivalents at end of the year	<u>8,452,111</u>	<u>6,091,073</u>

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

Charity Information

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 AVIVA Studios, Water Street, Manchester M3 4JQ

Accounting convention

The group financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP FRS102) 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.

The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention.

Reporting period

The company has prepared accounts for a period of 12 months, being the period from 1 April 2022 to 31 March 2023. The comparative figures, including the related notes, are not entirely comparable to the prior reporting period that was 18-month and encompassed Festival activity.

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 subsidiaries, MIF Productions, Factory Academy Limited and Factory International Trading Services Limited, on a line by line basis. The accounting periods for all subsidiaries are co-terminus with that of the charity, however as the first year of trading for Factory Academy a seven-month financial period has been consolidated and for Factory International Trading Services Limited an interim result has been consolidated and a 15-month financial period will be reported as at 31st March 2024.

Notes to the financial statements (continued)

For the year ended 31 March 2023

Funds

Unrestricted funds comprise accumulated surpluses and deficits on general and earmarked 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.

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 subsidiaries;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

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 have been met; the receipt of economic benefit from the use by the charity of the item is probable, and that economic benefit can be 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.

Expenditure

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.

Costs 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.

All significant producing costs expended in respect of the shows presented in future years are included in the prepayments in the Balance Sheet.

Notes to the financial statements (continued)

For the year ended 31 March 2023

Tangible Assets

Tangible fixed assets costing over £1,000 are capitalised. They are depreciated evenly over their expected useful lives. Depreciation is calculated at the following rates:

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

Intangible Assets

Intangible assets include software and related consultancy costs that the company believes will provide ongoing economic benefit. Intangible assets are capitalised when it is expected that the project cost will be in excess of £5,000 and the period of benefit is at least 3 years. Amortisation is charged from the point an asset is brought into use and the amortisation period is between 3 and 5 years dependent on the type of asset.

Pension costs and retirement benefits

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.

As non-charitable companies, all subsidiaries are eligible for UK corporation tax. In this 12-month financial year ended March 2023, no Corporation Tax was due within any of the subsidiaries. MIF Productions will gift-aid all taxable profits to the Charity, and Factory Academy Limited made a trading loss.

Across the 12-months to March 2023 the Group accrued a taxation benefit of £241,643 that is in relation to creative tax reliefs claimed by MIF Productions in respect of eligible commissioned work.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. 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)

For the year ended 31 March 2023

Financial instruments

The Group has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Other than where specifically stated all of the Group's financial instruments are classed as basic financial instruments. Financial assets are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

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

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that

Notes to the financial statements (continued)

For the year ended 31 March 2023

evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the entity's contractual obligations expire or are discharged or are cancelled.

Critical estimates and judgements

The preparation of the financial statements in accordance with FRS 102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation, amortisation, and doubtful debt provision. The accounting in these areas of the accounts requires management to use judgement. In relation to accruals this is a best estimate of costs that will be incurred based on contractual requirements. Provision for doubtful debts is based on the age of debts and probability of their recovery. For depreciation and amortisation, the estimates are driven by the useful economic life of the associated assets.

Notes to the financial statements (continued)

For the year ended 31 March 2023

	Unrestricted £	Restricted £	12 Months to 31-Mar-23 £
2 Grants & Donations			
Manchester City Council	1,500,000	-	1,500,000
Arts Council England - Factory Grant	-	9,165,600	9,165,600
Arts Council England Unrestricted Project Grants	742,550	-	742,550
Arts Council England Restricted Project Grants	-	129,000	129,000
Other Public Funding Grants (inc. ALBs)	90,000	-	90,000
Trusts & Foundations	40,000	329,000	369,000
Kickstart Scheme	-	22,053	22,053
Individual Donations	47,222	-	47,222
	2,419,772	9,645,653	12,065,425

The amount received from local and Central Government grants in 12 months to March 2023 was £11,627,150 (2022 18-month period: £17,436,001).

	Unrestricted £	Restricted £	18 Months to 31-Mar-22 £
2 Grants & Donations - prior year			
Manchester City Council	2,250,000	-	2,250,000
Arts Council England - Factory Grant	1,255,826	13,665,600	14,921,426
Arts Council England Restricted Project Grants	-	90,000	90,000
Other Public Funding Grants (inc. ALBs)	135,000	39,575	174,575
Trusts & Foundations	20,000	382,140	402,140
Kickstart Scheme	-	79,107	79,107
Individual Donations	59,135	-	59,135
	3,719,961	14,256,422	17,976,383

	Unrestricted 12 Months to 31- Mar-23 £	Unrestricted 18 Months to 31-Mar-22 £
3 Income from Charitable Activities		
Box Office - Festival	23,813	-
Box Office - Non-Festival	-	192,348
Co-Production & Co-Commissioning	374,271	263,022
Sponsorships & Partnerships	86,667	658,102
International Presentations	577,460	221,834
Factory Academy	165,017	258,947
Other Projects & Charitable Activities	348,872	439,953
Memberships and Ancillary activities	30,010	60,188
	1,606,110	2,094,394

	Unrestricted 12 Months to 31- Mar-23 £	Unrestricted 18 Months to 31-Mar-22 £
4 Income from other trading activities		
Food & drink, merchandise & miscellaneous	26,218	48,204
Operation of trading subsidiaries	77,967	-
	104,186	48,204

Notes to the financial statements (continued)

For the year ended 31 March 2023

	12 Months to 31-Mar-23	18 Months to 31-Mar-22
	£	£
5 Investments		
Interest receivable	125,089	82,377

	12 Months to 31-Mar-23	18 Months to 31-Mar-22
	£	£
6 Cost of Raising funds		
Wages and salaries	438,725	595,871
Direct costs	153,031	194,636
Support costs (Note 8)	380,610	102,913
Operation of trading subsidiaries	454,436	-
	<u>1,426,802</u>	<u>893,420</u>

7 Expenditure on Charitable activities

The charity undertakes direct charitable activities only and does not make grant payments. The charity reviewed its descriptions of its charitable activities in FY22-23 as there had been significant growth and development of the organisation within that period. Therefore, the direct expenditure and support costs for these activities have been presented in a different format for this reported financial year as the Trustees believe the previous format used to be no longer representative of how the charitable activities are structured.

Charitable Activities	Other Direct Costs £	Direct Wages and Salaries £	Support Costs £	12 Months to 31-Mar-23 £
Festival	347,691	432,301	501,680	1,281,671
Non-Festival Artistic Commissions	528,332	656,769	762,241	1,947,341
Non-Festival Music Presentations	5,663	77,615	53,563	136,841
Non-Festival Co-Commissioning & Co-Producing	53,513	66,522	77,205	197,240
International Presentations	1,150,881	269,036	913,272	2,333,190
Digital Commissions & Broadcasting	158,754	105,463	169,941	434,158
Creative Engagement	286,365	519,957	518,615	1,324,937
Factory Academy	49,686	72,202	78,397	200,285
R&D and Curatorial	258,579	42,202	193,459	494,240
AVIVA Studios Transition Project	1,250,042	124,534	884,109	2,258,684
	<u>4,089,505</u>	<u>2,366,601</u>	<u>4,152,481</u>	<u>10,608,587</u>

Charitable activities - prior year	Other Direct Costs £	Wages and Salaries £	18 Months to 31-Mar-22 £
General Festival Costs	581,957	393,613	975,570
R&D	243,319	201,507	444,826
Festival Producing Costs (including touring)	5,369,419	1,495,400	6,864,820
Creative Engagement	184,645	276,319	460,964
Volunteers	20,511	36,262	56,773
Branding, Communications & Marketing	984,017	493,576	1,477,593
Governance	33,662	68,460	102,122
Support costs (note 8)	742,658	-	742,658
Factory Transition Activities	3,564,344	3,260,654	6,824,998
	<u>11,724,531</u>	<u>6,225,792</u>	<u>17,950,323</u>

Notes to the financial statements (continued)

For the year ended 31 March 2023

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.

	Raising Funds	Charitable Activities		AVIVA Studios	12 Months to
	£	Festival	Other Charitable	Transition	31-Mar-23
	£	£	£	£	£
Branding / Press and PR	34,606	45,613	251,552	80,384	412,155
Audiences & Ticketing	82,077	108,185	596,626	190,654	977,542
Governance & Administration	96,501	127,197	701,473	224,159	1,149,329
Finance & Reporting	80,023	105,477	581,693	185,883	953,076
People & Culture	51,822	68,307	376,701	120,376	617,206
Systems & Data	34,977	46,103	254,251	81,247	416,578
Property Management	605	797	4,398	1,405	7,205
	380,610	501,680	2,766,693	884,109	4,533,091

	Raising Funds	Charitable Activities		AVIVA Studios	18 Months to
	£	Festival	Other Charitable	Transition	31-Mar-22
	£	£	£	£	£
Professional fees and charges	-	7,074		28,294	35,368
Other staff costs	2,115	332,392		332,392	666,899
Depreciation	14,510	58,040		72,550	145,101
Running expenses	47,145	188,581		235,726	471,452
Premises costs	39,143	156,571		195,714	391,429
	102,913	742,658		864,677	1,710,248

Included within governance and administration expenditure is £22,750 for audit of the parent charity consolidated financial statements and £12,000 for audit of the subsidiary financial statements.

	12 Months to	18 Months to
	31-Mar-23	31-Mar-22
	£	£
9 Analysis of staff costs		
Wages and salaries	4,653,941	5,969,738
Social security costs	525,295	628,411
Pension costs	170,264	223,516
	5,349,501	6,821,664

Number of employees:

The average monthly head count permanent and fixed term employees was 121. (2022: 103)

The average monthly head count casual employees count was 2. (2022: 7)

Notes to the financial statements (continued)

For the year ended 31 March 2023

	31-Mar-23 No.	31-Mar-22 No.
The number of staff who were paid more than £60,000 per year in the following ranges were:		
£ 60,001 - £ 70,000	5	5
£ 70,001 - £ 80,000	3	2
£ 80,001 - £ 90,000	1	1
£ 90,001 - £100,000	2	1
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£120,001 - £130,000	-	2
£130,001 - £140,000	-	-
£140,001 - £150,000	1	1
	<u>14</u>	<u>12</u>

10 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 (2022: Four) board members received re-imbursed travel expenses of £1,478 (2022: £807).

The key management of the parent charity, Manchester International Festival, comprise the trustees, Chief Executive Officer/Artistic Director, Executive Director, Creative Director, Director of Finance & Resources, and Venue Director.

The total employee benefits of the key management personnel (including pension) for the reporting period of 12 months were £581,217 (2022: 18 month period £907,925) .

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.

11 Tangible Fixed Assets - Group	Equipment £	Fixtures & Fittings £	Total £
Cost:			
At 1 April 2022	460,487	148,858	609,345
Additions	2,318,944	287,943	2,606,887
Disposals	-	-	-
At 31 March 2023	<u>2,779,430</u>	<u>436,801</u>	<u>3,216,232</u>
Depreciation:			
At 1 April 2022	378,746	58,652	437,398
Disposals	-	-	-
Charge for the year	87,452	38,154	125,605
At 31 March 2023	<u>466,198</u>	<u>96,805</u>	<u>563,003</u>
Net book value:			
At 31 March 2023	<u>2,313,233</u>	<u>339,996</u>	<u>2,653,228</u>
At 1 April 2022	<u>81,741</u>	<u>90,206</u>	<u>171,947</u>

Notes to the financial statements (continued)

For the year ended 31 March 2023

Tangible Fixed Assets - Charity	Equipment £	Fixtures & Fittings £	Total £
Cost:			
At 1 April 2022	460,487	148,858	609,345
Additions	2,318,944	45,443	2,364,387
Disposals	-	-	-
At 31 March 2023	2,779,430	194,301	2,973,732
Depreciation:			
At 1 April 2022	378,746	58,652	437,398
Disposals	-	-	-
Charge for the year	87,452	38,154	125,605
At 31 March 2023	466,198	96,805	563,003
Net book value:			
At 31 March 2023	2,313,233	97,496	2,410,728
At 1 April 2022	81,741	90,206	171,947

Intangible Assets - Group	Intangible Assets £	Total £
Cost:		
At 1 April 2022	310,719	310,719
Additions	557,396	557,396
Disposals	-	-
At 31 March 2023	868,115	868,115
Depreciation:		
At 1 April 2022	27,573	27,573
Disposals	-	-
Charge for the year	74,420	74,420
At 31 March 2023	101,993	101,993
Net book value:		
At 31 March 2023	766,122	766,122
At 1 April 2022	283,146	283,146

12. Debtors	Group 31-Mar-23 £	Charity 31-Mar-23 £	Group 31-Mar-22 £	Charity 31-Mar-22 £
Trade debtors	482,880	482,880	204,444	180,881
Other debtors	251,935	10,293	17,395	17,395
Amounts owed by group undertakings	-	1,138,676	-	-
Prepayments	142,381	142,381	225,716	225,716
Accrued Income	108,751	52,125	608,563	608,563
VAT	401,812	352,695	54,192	52,802
	1,387,759	2,179,049	1,110,310	1,085,357

Notes to the financial statements (continued)

For the year ended 31 March 2023

13. Creditors: amounts falling due within one year	Group 31-Mar-23 £	Charity 31-Mar-23 £	Group 31-Mar-22 £	Charity 31-Mar-22 £
Trade creditors	1,274,844	1,276,034	300,937	298,776
Other creditors	98,925	99,124	73,659	73,659
Accruals	353,331	336,953	413,128	396,628
Deferred income	565,226	565,226	193,715	193,715
	<u>2,292,326</u>	<u>2,277,338</u>	<u>981,439</u>	<u>962,778</u>

Included within Other creditors there is a finance lease commitment of £90,381, of which £49,223 is due under one year, and £41,158 is due over one year.

Deferred income - Group and Charity	Group £	Charity £
At 1 April 2022	193,715	193,715
Amount released in the period	(1,257,004)	(1,257,004)
Amount deferred in the period	1,628,515	1,628,515
At 31 March 2023	<u>565,226</u>	<u>565,226</u>

Deferred income - prior year:

	Group £	Charity £
At 1 October 2020	519,853	519,853
Amount released in the year	(331,138)	(331,138)
Amount deferred in the period	5,000	5,000
At 31 March 2022	<u>193,715</u>	<u>193,715</u>

The funds are deferred when the charity or its subsidiaries receives funds but do 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 subsidiaries.

14. Provision for liabilities

The Charity is currently in dispute with HMRC relating to the definition of some of its activities as non-business. The dispute is currently at First Tier Tribunal for which no date is currently yet set. Should the Tribunal award in favour of HMRC then £185k in VAT would be payable.

	Movement in Funds				
	Balance at 31-Mar-22 £	Net incoming resources £	Net outgoing resources £	Transfers £	Balance at 31-Mar-23 £
15. Analysis of movement in funds - Group					
Analysis of unrestricted funds movements:					
General Funds	1,853,499	4,496,800	(1,970,603)	2,049,491	6,429,187
Analysis of restricted funds movements:					
Restricted Funds	9,821,538	9,645,653	(10,064,786)	(2,049,491)	7,352,914
	<u>11,675,037</u>	<u>14,142,453</u>	<u>(12,035,390)</u>	<u>-</u>	<u>13,782,101</u>

Transfer of funds between restricted and unrestricted is equivalent to the value of fixed assets (tangible and intangible) acquired during the 12-month financial period to March 2023. The assets have been purchased from a restricted funding agreement with MCC. As the assets will be held for a general and not a restricted purpose, the restriction on the funding is released when the assets are purchased.

Notes to the financial statements (continued)

For the year ended 31 March 2023

	Balance at 01-Oct-20 £	Net incoming resources £	Net outgoing resources £	Transfers £	Balance at 31-Mar-22 £
<i>Analysis of unrestricted funds movements:</i>					
<i>General Funds</i>	2,279,613	6,072,975	(6,499,088)	-	1,853,499
<i>Analysis of restricted funds movements:</i>					
<i>Restricted Funds</i>	7,909,774	14,256,422	(12,344,658)	-	9,821,538
	10,189,387	20,329,397	(18,843,747)	-	11,675,037

16. Outline summary of restricted fund movements - Group and Charity

Fund Name	Fund Balances Brought Forward 31-Mar-22 £	Income £	Expenditure £	Transfer £	Fund Balances Carried Forward 31-Mar-23 £
<i>Arts Council - Under the Radar</i>	109,852	129,000	145,639	-	93,213
<i>Arts Council - The Factory grant</i>	9,483,468	9,165,600	9,710,791	(2,049,491)	6,888,786
<i>EFF - Creative Engagement Grant</i>	66,347	100,000	94,764	-	71,583
<i>EFF - Reinventing Performing Arts Grant</i>	47,548	-	23,983	-	23,565
<i>The Paul Hamlyn Foundation</i>	114,323	-	60,205	-	54,118
<i>Reframe</i>	-	29,000	7,351	-	21,649
<i>Bloomberg LP Grant</i>	-	200,000	-	-	200,000
<i>Kickstart grant</i>	-	22,053	22,053	-	-
	9,821,538	9,645,653	10,064,786	(2,049,491)	7,352,914

Name of restricted fund	Description, nature and purpose of the fund
Arts Council - Under the Radar	Showcasing the UK artists at the Under the Radar festival in New York
Arts Council - The Factory grant	NPO Funding for delivery of MIF/The Factory Business Plan, including the MIF Festival activities. At the end of each financial year a transfer from restricted to unrestricted funds equivalent to the value of capital assets acquired is made.
EFF - Creative Engagement Grant	A five-year programme that transforms how people access, engage and benefit from the arts with three new approaches: creating a grassroots ambassador programme (Community Advocates), building more equitable partnerships with local organisations (Community Contracts) and developing useful skills for residents (a co-designed skills programme).
EFF - Reinventing Performing Arts Grant	Reinventing Performing Arts programme of work that is split across Digital (content and creation) and Talent Development strands.
The Paul Hamlyn Foundation	A four-year programme of community-led curation building on some of previous MIF successful models including public forums, co-curation, participatory commissions and digital innovation
Reframe	To support the development of young Black creatives as part of a national career acceleration programme co-ordinated by the Southbank and supported by Apple.
Bloomberg LP Grant	Funding for a Digital Accelerator programme that aims to help visitors navigate the new venue using digital screens and other tools.
Kickstart Grant	Funding helping MIF as an employer to create jobs for 16-24 year olds on Universal Credit

Outline summary of restricted fund movements - Group and Charity - prior year

Fund Name	Fund Balances Brought Forward 01-Oct-20 £	Income £	Expenditure £	Fund Balances Carried Forward 31-Mar-22 £
<i>Arts Council - Under the Radar</i>	91,000	90,000	71,148	109,852
<i>Arts Council - The Factory grant</i>	7,772,217	13,665,600	11,954,349	9,483,468
<i>Innovate UK</i>	-	31,575	31,575	-
<i>R&D for Inclusive Producer Training</i>	-	8,000	8,000	-
<i>EFF - Creative Engagement Grant</i>	-	100,000	33,653	66,347
<i>EFF - Reinventing Performing Arts Grant</i>	-	47,548	-	47,548
<i>The Paul Hamlyn Foundation</i>	46,557	234,592	166,826	114,323
<i>Kickstart grant</i>	-	79,107	79,107	-
	7,909,774	14,256,422	12,344,658	9,821,538

Notes to the financial statements (continued)

For the year ended 31 March 2023

Analysis of net assets between funds - Group

31-Mar-23	General Funds £	Restricted Funds £	Total Funds £
Tangible	2,653,228	-	2,653,228
Intangible	766,122	-	766,122
Investment	-	3,000,000	3,000,000
Current assets	4,967,975	4,871,896	9,839,871
Current liabilities	(1,773,344)	(518,982)	(2,292,326)
Provision for liabilities	(184,794)	-	(184,794)
	<u>6,429,187</u>	<u>7,352,914</u>	<u>13,782,101</u>

Analysis of net assets between funds - Group

31-Mar-22	General Funds £	Restricted Funds £	Total Funds £
Fixed Assets	71,301	5,383,792	5,455,093
Current assets	2,076,235	5,125,148	7,201,383
Current liabilities	(294,037)	(687,402)	(981,439)
	<u>1,853,499</u>	<u>9,821,538</u>	<u>11,675,037</u>

Analysis of net assets between funds - Charity

31-Mar-23	General Funds £	Restricted Funds £	Total Funds £
Tangible	2,410,728	-	2,410,728
Intangible	766,122	-	766,122
Investment	-	3,000,003	3,000,003
Current assets	5,309,952	4,871,893	10,181,845
Current liabilities	(1,758,356)	(518,982)	(2,277,338)
Provision for liabilities	(184,794)	-	(184,794)
	<u>6,543,653</u>	<u>7,352,914</u>	<u>13,896,567</u>

Analysis of net assets between funds - Charity

31-Mar-22	General Funds £	Restricted Funds £	Total Funds £
Fixed Assets	71,301	5,383,792	5,455,093
Current assets	2,050,493	5,111,868	7,162,361
Current liabilities	(288,655)	(674,123)	(962,778)
	<u>1,833,139</u>	<u>9,821,537</u>	<u>11,654,676</u>

17 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.

The wholly owned subsidiary Factory Academy Limited is limited by shares. Its share capital is £1.

The wholly owned subsidiary Factory International Trading Services Limited is limited by shares. Its share capital is £1.

18 Taxation

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

The Group benefits from a tax refund of £241,643 (2022: £128,039), in respect of the losses

MIF Productions incurred during the year in the course of delivering specific productions for MIF.

Notes to the financial statements (continued)

For the year ended 31 March 2023

	Land & Buildings 31-Mar 23 £	Office Equipment 31 Mar 23 £	Land & Buildings 31-Mar 22 £	Office Equipment 31 Mar 22 £
19 Operating lease commitments				
Total of non-cancellable operating leases payments for the following periods:				
not later than one year	20,833	76,074	250,000	39,920
later than one year and not later than 5 years	-	38,974	-	10,936
	<u>20,833</u>	<u>115,048</u>	<u>250,000</u>	<u>50,856</u>

20 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 12 months to March 2023, the pension contributions charged to the accounts totalled £170,264 (£223,516 for the 18-months ended 31 March 2022). No pension contributions were due to Scottish Widows at 31 March 2023 (2022: £0).

21 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 grant funding from Greater Manchester Combined Authority (GMCA), which is disclosed in note 2 as 'Other Public Funding Grants (inc. ALBs)'.

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 is a 100% wholly owned subsidiary of Manchester International Festival. At the balance sheet date, there was £180,226 (2022: £106,470) due to MIF from MIF Productions. This is resulting from the intercompanies transactions related to the delivery of production, presentation and closure of the festival shows eligible for theatre and orchestra tax relief.

Factory Academy Limited is a 100% wholly owned subsidiary of Manchester International Festival. At the balance sheet date, there was £262,447 due to MIF from Factory Academy Limited. This is relating to intercompany transactions related to general expenditure.

Factory International Trading Services Limited is a 100% wholly owned subsidiary of Manchester International Festival. At the balance sheet date there was £695,000 due to MIF from Factory International Trading Services Limited. This is relating to a short-term transfer of cash from MIF to its subsidiary to allow for the purchase of capital assets. This amount will be repaid within the next 12-month financial period subject to availability of cash in the subsidiary.

Notes to the financial statements (continued)

For the year ended 31 March 2023

22 Derivatives

The charity has receivables in foreign currencies which are held by a third party.

The charity does not purchase forward foreign currency contracts to manage its foreign exchange risk.

No derivatives (2022: NIL) were held at the balance sheet date.

At the balance sheet date, the charity had £468,095 (2022: £284,221) in foreign currencies.

23 Investments

MIF invested £1 in its subsidiary, MIF Productions (Registration number: 09308388, registered address: AVIVA Studios, Water Street, Manchester, M3 4JQ). The company delivers production, running and closure of productions presented at the MIF Festivals.

The turnover in the year to March 2023 was £503,670 (2022: £708,678), as the company was contracted by Manchester International Festival to deliver production, presentation and closure of the shows eligible for theatre and orchestra tax relief. The loss on ordinary activities before tax for the 12 months to March 2023 was £191,864 (2022: £122,419). The company made profit after tax of £49,779 (2022: £5,621).

At the balance sheet date, net assets were £70,143 (2022: £20,364).

MIF invested £1 in its subsidiary, Factory Academy Limited (Registration number: 12978506, registered address: AVIVA Studios, Water Street, Manchester, M3 4JQ). The company delivers the programmes of skills and training to young adults that addresses the skills gaps within the Cultural sector.

The turnover in the year to March 2023 was £77,967.

The loss on ordinary activities after tax for the 12 months to March 2023 was £184,580.

At the balance sheet date, net assets were (£184,579).

MIF invested £1 in its subsidiary, Factory International Trading Services Limited

At the balance sheet date, net assets were £694,976

Manchester International Festival held £3,000,000 invested in three two-year deposit accounts, £1 million each. The two-year deposits matured in April 2023.

MANCHESTER INTERNATIONAL FESTIVAL

England & Wales - Charity number 1113902

Accounts

Manchester International Festival

Trustees Report and Financial Statements

31st March 2022

Trustees' Annual Report and Financial Statements

31st March 2022

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Trustees' Annual Report

The Trustees are pleased to present the annual directors' report together with the audited consolidated financial statements of the charity and its trading subsidiary for the 18-month period ended 31st March 2022 which are also prepared to meet the requirements for a directors' report, strategic report and accounts for Companies Act purposes.

Manchester International Festival is a charity registered with the Charity Commission under registration number 1113902. Its purposes are to promote, maintain, improve, develop, and advance public education by the encouragement of the arts.

Arts include music, opera, dance, singing, literature, and visual arts, and their promotion through the holding of festivals of culture, ideas, and creativity.

Our Vision and Mission Statement

As an arts organisation we have a simple but ambitious vision:

To Invent Tomorrow Together.

Our vision speaks directly to our mission:

Through art, music and culture, and in digital and physical spaces, we focus our activities on creating the meeting points between imagined futures and real lives.

Activities

Manchester International Festival undertakes a number of activities for the public benefit that can be broadly categorised into the following programmes:

The Festival: a biennial 18-day event taking place across the city that engages communities, audiences and the public in a variety of events and public installations.

Physical and Digital Commissions: newly commissioned artistic productions that showcase the work of local and international artists for both digital and physical audiences, with a particular emphasis on supporting artists from under-represented groups.

Pre-Factory Events: a programme of events and projects designed to raise the profile of our new venue and new brand, Factory International.

Internationally Toured Productions: a combination of presentations with co-producers, onward touring of our own commissioned work (and work for other artists) and licensing for the use of our projects.

Trustees' Annual Report

Digital Broadcasting: live and on-demand performances broadcast to digital audiences on our own platform.

Digital Innovation and R&D: research and development into new digital technologies for use in our own commissions and for the wider benefit of the sector.

Creative Engagement: a series of engagement-led activities that encourage low arts engagement audiences from our local communities to attend events.

Factory Academy: training and skills experiences that are developed side by side with creative pioneers and industry experts to address skills gaps in the sector, and increase opportunities for under-represented groups. Other education initiatives that respond to external fundraising and philanthropic support for support of learning development within the creative sector.

As we develop into a venue-based organisation we plan to broaden our scope of charitable activities to also include:

Live Music: a combined programme of events delivered in partnership with commercial music promoters, or own-produced events.

Public Programme: an all year series of largely free to access events that will enliven the building and attract wider audiences to the artistic programme.

Supporting our charitable activities, we also undertake commercially focused activities that include:

Commercial events and partnerships: Developing an ambitious programme that will feature exhibitions, premieres and branded experiences at Factory International, while building partnerships that will raise investment towards our digital innovation, IP and education initiatives.

Our values

In setting our programmes we are guided always by our organisational values – **open, equitable, inventive, international, and determined.**

We give consideration to the positive impact that our activities will have for our audiences and local communities. We consider and measure impacts such as life outcomes, re-engagement with the cultural sector and the equitable representation of our beneficiaries in terms of ethnicity, gender, disability and social mobility.

Our commitment to being equitable extends across all areas of our organisation and includes our frameworks around decision-making, our artistic programming, and our

Trustees' Annual Report

workforce. Through a range of targeted initiatives, we focus hard on creating an organisational culture that is open and welcoming for our workforce, our community participants and artists.

We also consider our local impact in terms of the environment and supply chain. Where beneficial we seek to locally source labour, goods and services to maximise the impact of our activities in the Greater Manchester economy.

We continue to make sector-wide interventions as members of GMAST, committing to ambitious sustainability targets across our artistic delivery, including our international work, making visible our green credentials and working with partners to extend our knowledge and share our expertise.

We actively support and advocate for greater accessibility provisioning in the creative sector for both audiences, artists and those working within it. Our own internal production pathways embed accessibility deliverables and we have a range of resources to support our producers in holding conversations with artists and creative teams around embedding accessibility provision (e.g. captioning, BSL, audio description) into their commissions.

Strategic Aims

On 29th September 2022, Factory International was launched to the public as the new permanent home of Manchester International Festival.

In Summer 2023, Factory International will open its new space in the newly developed neighbourhood of St. John's. Designed by world-leading architects, OMA, the venue will build on the success of the Festival and on the legacy of Manchester as the Original Modern City – a place where innovation and experiment have been at the heart of everything.

Factory International will allow year-round delivery of all of our activities, including creative experimentation, developing new combinations of art forms, commercial innovation and investment, whilst also making a significant impact on the city and the sector through training for jobs in the cultural industries, and a deep level of community engagement.

Our strategic plan for this critical transitional period and beyond (2022 – 2026) is built around three strategic aims that align with our vision To Invent Tomorrow Together.

INVENT: To develop new models for thinking about, bringing to life and distributing creative work- through digital experimentation, commercial partnerships, social enterprise, and international collaborations.

Trustees' Annual Report

TOMORROW: To create and deliver new possibilities for employment, training, and learning, with a focus on equity for those currently under-represented in our sectors.

TOGETHER: To establish our venue as a sustainable, open and far-reaching space for creative exploration and production, loved locally, and celebrated internationally.

In the opinion of the trustees these objectives are consistent with the duty of the organisation 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.

What We Did: Activities, Achievements and Performance

As a large charity and with a number of different programmes of activity, the following provides only a summary of the key highlights and achievements of what was delivered over the 18-months from October 2020 to March 2022.

The Festival, MIF21

“Perhaps the most remarkable aspect of MIF21 is how much of it challenges us to imagine a new world, at a point in history where it feels like a new age is dawning.”
(Manchester’s Finest)

Despite the ongoing challenges of COVID-19, Manchester International Festival continued with its plans to deliver MIF21 Festival in July 2021 – one of the first major cultural festivals in the wake of the pandemic, supporting the re-emergence of the live events industry in the North West.

Working with multiple scenarios in a constantly changing health and regulatory environment, the organisation adapted its model of delivery to create a flexible, responsive festival in public spaces, outdoors, online and in the skies.

As part of our COVID-19 response, the festival pivoted towards large scale works of art in public space. Big Ben Lying Down, Portrait of Black Britain and Captioning the City, all attracted tens of thousands of visitors with challenging and striking visual interventions that had plenty to say about the world today, and did it with beauty, humour, and great humanity.

MIF21 attracted record-breaking audiences - 1,462,244 in person and 2,662,244 (including online) - and played a critical role in building public and creative sector confidence to re-enter society and re-engage after 18 months of intermittent lockdowns.

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Our commitment to diversifying our Festival audiences in terms of both age and ethnicity was a key element to our audience strategy for MIF21. Our ethnicity demographics demonstrated an increase of Black, Asian, and ethnically diverse audiences from 6% in 2019 to 15% in 2021, driven by our broader community-led marketing and audience development campaigns around the Festival.

Ahead of the Festival, we launched Young MIF, a free membership scheme for ages 16-26, offering reduced priced tickets and a programme of training and engagement opportunities. As a result, we saw an increase in attendance of 16-29 year olds from 20% in 2019 to 28% in 2021 which more closely reflects the demographic of Greater Manchester (26.4% aged 10 – 29).

In our audience survey feedback, 91% of audiences agreed or strongly agreed that MIF helps to make Manchester a world-class cultural city, 86% believe that it offers a unique experience unlike anything else in the area, and 83% consider that it makes Manchester a great place to live.

The reputational impact of the Festival on Manchester was also particularly notable, with Time Out citing both MIF21 and our new venue as reasons why Manchester is one of the top three best cities in the world to visit this year, and National Geographic likewise citing MIF as a key reason why Manchester is 'the UK's most exciting cultural hub'.

Factory International's site had its first real world audiences as part of MIF21, with the presentation of Deborah Warner's *Arcadia* which took over the venue's immense open spaces still under construction, and reimagined them as a site for contemplation.

Our Festival Square site relocated to a new site at Cathedral Gardens and was organised to accommodate two separate stages, enabling a continuity of performances in a socially-distanced environment. As always, the programme at Festival Square was free, and with a diverse line up of 200 artists performing across the 18-days.

Overall, the economic impact of the festival across Greater Manchester has been estimated as £19.5m. Whilst a decrease on the calculated impact of the previous two festivals this is a notable achievement as a result of less international and national travel due to COVID-19.

Digital Broadcasting

"It is to MIF's enormous credit that such a major event has been staged at all while COVID-19 restrictions are still in place, though it's perhaps because of the pandemic that the online projects are so ambitious, going far beyond 'extension of IRL' role they often occupy." (Art Review)

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One of the core objectives for the festival was to deliver a blended offer of events, creating live and interactive content for international audiences online. To do this we established an on-demand and live platform, created a digital studio for virtual events, showcased the new website with multiple web extensions of key projects and developed new partnerships with media partners. The key outcomes of the digital programme included:

- 1.2 million views across the website and all digital content
- 81 individual pieces of content published – including video, live streams, access provision, websites and a browser game
- 32 live streams and pre-recorded broadcasts
- 187 countries engaged

Digital Innovation and R&D

In March 2021 we successfully premiered *Dream*, as an outcome of our Audience of the Future research. The project used real-time technologies, digital characters and motion capture to present a short digital adaptation of Shakespeare's *A Midsummer Night's Dream*. The adaptation received over 100,000 viewers, and press coverage in a range of national and international media outlets including New York Times, LA Times and The Guardian.

"This is A Midsummer Night's Dream as you've never seen it, created live in a gaming-style environment"
(The Times)

"Dream opens up a world of possibility for theatre's collision with other forms."
(The Guardian)

Pre-Factory Events

The Long Goodbye

In January 2021, a digital version of Riz Ahmed's *The Long Goodbye* was streamed and due to popular demand was made available as Video on Demand (VOD) on the website. Public reaction and peer reviews to *The Long Goodbye* were outstanding:

"It is unbelievably good. The most original and engaging live performance you will see during the pandemic. In fact, you won't have seen anything like this before Covid either." (INews)

Virtual Factory

In March 2021, *The Neon Hieroglyph* launched as our second Virtual Factory project, showcasing the Turner-award winning artist Tai Shani's first online work. This has since gone on to be staged at the Singapore Arts Festival and Hellarau in Germany.

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"Tai Shani's first wholly online artwork... is a mind-bended feminist fantasy"
(Frieze)

This was followed by another Virtual Factory project, *We Dwell In Possibility* which launched at the start of the festival. This reached new press platforms from Gayming, Kontaku to Rock Paper Shotgun and received a really strong reception from the indie gaming community. It was voted as the top 10 game of 2021 in Art Tribune and with over 14,965 plays from nearly 13,000 people, *We Dwell In Possibility* has performed better than previous game commissions, and continues to engage new audiences ahead of the new venue opening

The Walk

In November 2021 we successfully delivered The Walk, engaging hundreds of school children across Greater Manchester in a large-scale city centre procession, that culminated in the arrival of the puppet, Little Amal into Manchester, following an epic 8000km journey from the Syrian border and across Europe.

International

To continue our international engagement during MIF21 and with COVID-19 impacting on all international travel, we created an alternative digital event *24-hour Arty People*.

The event ran live for exactly 24hrs to allow our invited international audiences to join from their time zone and showcased both MIF21 projects and those in future development. Compared to previous Festivals, *the 24-hour Arty People* event dramatically widened our international reach, with partner organisations joining us from more than 23 countries.

Beyond MIF21, our international activities were reoriented towards broadening and deepening our global connections and partnerships: agreeing MOUs for training and artist development with Serendipity Arts (New Delhi, India) and Wiewuying (Kaohsiung, Taiwan) and shaping a new approach to long-term international partnerships through pilot work with MAAS (Sydney) and Phi Contemporary (Montreal). There is strong interest internationally for more partnership working going forward which should prove advantageous for MIF.

Throughout the pandemic, the International team worked to tour previous productions wherever possible. MIF17's *What is the City but the People* was successfully presented in Munich in June 2021. MIF19 project *Atmospheric Memory* was presented at co-commissioner venue, University of North Carolina, in November and December 2021.

Several MIF21 projects were also presented internationally - *We Dwell in Possibility*, was presented as part of Queer Lisboa's online programme and *Poet Slash Artist* was

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presented by Kunsthall Charlottenborg in December 2021 in more than 700 sites across Denmark, meaning 80% of the national population were within a 5 minute travel time of one of the sites. Two *Postcards from Now* films were shown as part of La Biennale Danza di Venezia in July 2021, and four were also screened online as part of the Segal Center Film Festival on Theater and Performance in New York in March 2022.

In February 2022, we began a six month collaborative project working in South Africa with the British Council, Common Purpose and Business in the Arts South Africa, to support the international development of 25 creative producers and a wider engagement with a further 175 producers across both South Africa and the UK.

Creative Engagement

The impact of the work undertaken within the Creative Engagement team was highly significant in this year's Festival. More so than in previous Festivals, the opportunity to emerge and reconnect with the city and its communities after a challenging eighteen months was highly valued. Over 5,761 residents across Greater Manchester directly participated in activity in MIF21 - 440 people volunteering their own time, 167 artists accessing a skills and training or networking session – creating a total of 24,780 engagement hours.

Our MIF21 programme continued our history of large scale participatory work with our launch event Sea Change. Those that engaged with the project described significantly positive life outcomes:

'What we have all gone through with the pandemic made this experience incredibly meaningful and lifegiving - you gave me back something that I feared I had lost for good (I have been slow and fearful to get back to 'normal') and reminded me of who I am and who I can be' (Sea Change Participant).

In two new partnerships with MIF21 (Therme and Manchester United Foundation), just over 1,673 children actively engaged in activities focusing on their health and wellbeing. Highlights from these two events can be found in short films for the Manchester United Talent Showcase [here](#) and the Therme art project [here](#).

Co-design, consultation and innovative community design work are deeply embedded in our artistic activities. Key events in MIF21 that were co-designed with the public included *Looking Forward to Tomorrow* and a *Takeover Day* on Festival Square. We are currently working with a co-design group, Factory International Assembly, on co-curating a series of opening events for the new venue that begin with the building's first public engagement - The Welcome.

Our pilot and pioneering Neighbourhood Organiser programme (paid community connector roles), allowed us to explore new ways to collaborate with Manchester

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residents, underpinning our work with equity, integrity and a focus on legacy. The scheme made a significant impact bringing new audiences to MIF21 with over 2200 free tickets distributed to community groups. A further achievement was in the reach of the programme, with 41% of participants in MIF21 coming from a Black, Asian or ethnically diverse background and 23% identifying as having a disability.

The Factory Academy

Through The Factory Academy we delivered high impact accredited skills and training offers, designed to impart the technical skills our industry needs, and develop the essential personal and professional behaviours employers look for whilst recruiting.

As of March 2022, 238 learners have been engaged in a Factory Academy Programme. 60% of learners that have completed one of our programmes have taken up employment or education opportunities in the sector with 30 alumni gaining direct employment within our organisation.

A core value of The Factory Academy is to provide learning and development opportunities to individuals that are under-represented in the sector. In support of this objective, 70% of our learners who provided diversity and inclusion data, reported a currently under-represented characteristic and/or as being from a low socio-economic background.

What our students say:

'The main aspect of the academy I liked was that it allowed me to think about myself and what I have to offer in a way in which I have never done before; identifying what my core skills are and how to apply them in the creative industry. I also liked the opportunity it provided me with to meet so many great, like-minded people and connect with them on a professional and deeper level'.

'Having the opportunity to create content and most importantly the experience I was given to be on a film set which they sorted out which has helped me open new doors within the industry and has brought me closer to what I want to do'.

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Other Activities and Achievements

As the organisation continues its transformation into a venue based arts organisation, other major strands of essential planning-led activities have also taken place.

Business Planning

During this financial period, MIF has continued to develop and revise its business plan for its work over the next 4 years (2022 to 2026).

The Dec 2021 business plan process was an extensive exercise that followed a detailed 'bottom-up approach' with significant and wide engagement from across the organisation. To test our key assumption around audiences, we worked with an external agency, undertaking direct interview surveys with the public to understand interest and propensity to visit the venue. The positive outcome of this report gives further confidence to the business plan as a future projection of our financial performance.

Similar and equivalent market insights and external benchmarking were undertaken with a range of specialist consultancies, to test other key income and expenditure assumptions. The outputs of all of these activities was a comprehensive three-part narrative that set clear the ambitions and future direction of the organisation, with a set of strategic objectives and KPIs that will provide measures of success for our future performance.

The business plan is now reviewed and revised on a quarterly basis, strengthening our financial risk management and driving informed and responsive decision-making from across the organisation.

Financial Planning

In addition to the business plan, our annual budget for April 2022 to March 2023 has also been finalised and reviewed with sign-off by the Board. Setting an annual rather than two-year budget represents a significant shift in how the organisation previously financially planned for the biennial festival.

Regular quarterly reviews of the annual budget are also supplemented by monthly reviews with key income and cost centres - particularly relating to the artistic programme and sponsorships and donations – ensuring that responsive and corrective decision-making takes place as and when required.

Transition planning

The addition of the Venue Director to the Executive Team in September 2021 developed further detailed planning around the transition to the venue, including

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identification of critical paths and milestones that will ensure the effective management of the project.

The transition or T-1 plan is actively reviewed on a monthly basis by the wider Executive team and internal project team, alongside the production of a RAID log that identifies and manages key risks.

Fundraising Activities

MIF employs an in-house development team who are responsible for fundraising for the Festival and the venue.

In addition to our public sector income, and donations from individual philanthropists, and trusts & foundations, the fundraising team generate income support from a range of corporate partners and through memberships and individual supporter donations at point of ticket purchase. Except for our National Portfolio Organisation (NPO) funding and income from trusts & foundations, funds raised are largely unrestricted.

Our fundraising strategy is developed in accordance with our company policies relating to General Data Protection Regulation (GDPR) and ethics. Our fundraising activities strictly follow Code of Fundraising Practice and standards set out by the Fundraising Regulator. Gift Aid is claimed in accordance with HMRC policy.

All donations are processed directly by the development and finance teams, except for membership and box office donations which are processed through our ticketing system (Spektrix) and by our box office teams who receive donation training as part of their induction. Donations from the public are given at the point of ticket sale, so no approaches to vulnerable individuals are made.

In the financial period ended March 2022 there were no reported complaints relating to fundraising.

Change to Governance and Management

Board recruitment continued on its annual cycle to replace retiring or resigning trustees. In recent years our trustee recruitment has focused on increasing diversity and aligning skills and experience to the expanding remit of MIF and the venue.

Three new board members were recruited through an open recruitment process managed by the Nominations Committee during the 18-months period ended March 2022.

Changes to the trustee board during the year and since the year end are detailed on page 15.

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There were no significant changes to the governance structure during this 18-month financial period.

Management and Staffing

Several key management staff joined MIF or changed role during the year as part of the organisation developing capacity and skills for the move to the venue.

These changes included:

- Sheena Wrigley joining as Venue Director
- Kee Hong Low joining as Creative Director
- Tom Cunningham joining as Commercial Director

Financial review

The group generated a positive surplus over the 18-month financial period ended March 2022 of £1,501,596 with the result that reserves increased from £10,189,387 to £11,675,037.

A comparison of the results of this financial period ended March 2022, to the previous financial period ended September 2020, requires acknowledgement of both the six-month extension to this financial year, and the delivery of the biennial Festival in this financial period, and not in the prior year ended September 2020.

Donations and Legacies

As a result of the Festival and in the period ended March 2022, MIF was able to secure increased amounts of income from donations and legacies, resulting in a total of £17,976,383 from Grants and Donations.

The larger part of donated income is provided by Arts Council England (ACE). This includes both a National Portfolio Organisation (NPO) restricted funding agreement (initially secured in April 2018) for the ongoing development of Factory International, and an unrestricted funding agreement to support our Equalities Representation Action Plan that puts our commitment to artist, audience and people diversity at the core of our business plan. In this 18-month financial period, the total amount of ACE funding was £15,011,426, or £10,007,617 annualised, which is £437,597 per annum less than in the prior financial year ended September 2020.

Our other principal and unrestricted grant funding agreement is with Manchester City Council (MCC) in support of the Festival. In this 18-month financial period, the total amount of MCC funding was £2,250,000, or £1,500,000 annualised, which is equivalent to the grant received in the prior Festival year ended September 2019.

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Additionally to public funding, MIF was able to secure enhanced support from Trusts & Foundations to support key areas of our activities. In this 18-month financial period, the total income from two foundations was £382,140 or £254,760 annualised, which is an increase from the prior year of £151,935.

Income from Charitable Activities

Income from charitable activities represents income from several activities that MIF undertakes for the public benefit, this includes income from the Festival itself, and income from other non-Festival activities such as touring activities and the Factory Academy.

Total income for the 18-month financial period from charitable activities was £2,094,394.

Of this total income, £1,173,660 is directly attributable to the Festival (Sponsor support, box office, co-production and co-commissioning, and memberships), and £920,734 to non-Festival charitable activities.

The significant impact of COVID-19 on the size and scale of the Festival is demonstrated across each line of Festival related income. Support from Sponsors was £658,102 compared to £1,622,193 in the Festival year ended September 2019. Across the same comparator years, Box Office income was £192,348 compared to £1,157,832 and income from co-production and co-commissioning was £263,022 compared to £2,457,129.

Income for non-Festival charitable activities includes £258,947 from The Factory Academy programme of activity which as described in the Trustees Report, provides pre and post-employment training for under-represented groups in the cultural sector. The Factory Academy income relates to a secured sub-contracting funding agreement with a learning body and initially secured in September 2020 to provide high-quality training programmes.

Other non-Festival activity income includes income from touring activities totalling £221,834 for the 18-month financial period. This is an activity that was significantly impacted by the pandemic, with the income that was achieved relating to the initial pre-COVID-19 trading months and efforts to pivot activity to online training for international partners.

Expenditure on Charitable Activities

Expenditure on charitable activities presents expenditure from several activities that MIF undertakes for the public benefit, including the Festival itself and other year-round

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charitable activities such as Creative Engagement and Factory Academy, and those related to the transition to Factory International.

Overall charitable expenditure on MIF21 was £10,995,405 compared to £12,215,484 in the Festival year ended September 2019. The main category of reduced expenditure was on the production costs as a result of the reimagined scale of the Festival. Expenditure on non-Festival activities was £6,824,998 for the 18-months financial period, or £4,549,999 on an annualised basis, which is an increase of £1,397,804 from the prior year ended September 2020. This increase in expenditure reflects the timing to opening of the new venue and the ramp-up in associated activities that support the transition, including the increase in recruitment and resource.

Taxation

Across the 18-months to March 2022 the organisation accrued a taxation benefit of £128,039 that is in relation to creative tax reliefs claimed by MIF Productions in respect of eligible commissioned 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 accounts, which in the 18 months ended March 2022 generated interest receivable of £82,377.

Reserves Policy

MIF's Reserves Policy is reviewed and updated annually as part of the organisation's longer-term strategic financial planning. The Reserves Policy considers the general level of risk within the current and future operations, including the reliability of forecasted income, whilst also considering future identified cash needs.

The Reserves Policy has been designed to ensure that MIF can continue to deliver its charitable objectives both throughout this transition period to Factory International and beyond.

The latest longer-term financial plan outlines the following reserves are needed in preparation for the opening of Factory International:

- 1) **Capital Depreciation Reserve** of £13.8m built up in advance of the opening of Factory International, to contribute towards the expected cost of Fixtures, Fittings & Equipment for the building. The Capital Depreciation Reserve is reduced each year from Factory International opening by an amount equivalent to the depreciation charged in respect of those assets. The reserve is expected to be £11.7m at March 2024. These funds are restricted.

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- 2) *A Start-up Reserve, that acknowledges the inherent risk and uncertainty (in respect of both new categories of income and expenditure) in the first few years of operation of the new venue. The Start-up Reserve is set at £2.0m prior to opening at March 2023, but is reduced by £1.0m in the opening year ending March 2024, and to £NIL by the end of the first full year of opening, March 2025. These funds are restricted.*
- 3) *A designated Sinking Fund Reserve of an estimated £0.4m is required after the first opening year of Factory International 23/24. This reserve is to grow and build each year by £383k to contribute toward the capital replacement cycle of the venue. These funds are unrestricted.*
- 4) *A non-designated General Reserve that considers the risk associated with the organisation's operations and which seeks to provide sufficient cover to allow the organisation to continue its charitable purposes in the event of an adverse impact to its unrestricted income.*

The target value of the General Reserve at the time of opening at the end of the financial period March 2023 is £4.8m, in addition to the start-up reserve of £2.0m.

The General Reserve is expected to be £1.6m in March 2024. These funds are unrestricted.

From the year ended March 25, and when the start-up reserve has been fully allocated, the target for free reserves is £4.0m on an ongoing basis. This figure is based on an estimate of five months cover for committed overheads include staffing and property. These funds are unrestricted.

As at the end of March 2022 the total value of restricted funds were £9,829,174. These will be built up to the required level of £15.8m to ensure the necessary level of Capital Depreciation Reserve and Start Up Reserve in March 2023.

At the same time, the total level of unrestricted and general funds is £1,860,151 with a further £3.0 million required to be built up to achieve the target level of reserves at the time of opening Factory International.

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Going Concern

The charity's future period plans are set out below. The group manages its activities with positive restricted and unrestricted reserves. The charity relies on the funding from Central Government (paid via Arts Council England) as it builds up its capacity in readiness to open Factory International.

Both current restricted and unrestricted Arts Council England funding agreements contractually cover the period to March 2023. The Charity submitted a new funding application to Arts Council England for the three-year period ended March 2026 in April 2022. This was for an enhanced level of financial support totalling £9.9 million per annum. Manchester International Festival received confirmation from Arts Council England on 4th November 2022 that the NPO funding application had been successful.

Alongside the long-term financial support of Arts Council England, MIF has also been pledged £1.5 million annual funding from Manchester City Council, starting from October 2021. The funding from the Council will be covered by two agreements: 1) an 18-month grant funding agreement covering the period October 2021 to March 2023 and 2) an 8-year Management Agreement from April 2023 to March 2032.

In addition to revenue grant funding, Manchester City Council has also confirmed a further £7.8m of support for the fit-out requirements of the venue.

The Trustees have undertaken a full review of the current short-term and long-term financial plans and the cashflow forecast through to 31st December 2023, giving necessary and due consideration to the wider organisational context and macro-economic challenges. Following this review, the trustees are of a view that the charity is a going concern.

Plans for future periods

The next financial period ended March 2023 covers a critical period of readiness for MIF to scale and develop its operations to open Factory International and deliver the next edition of the Festival, MIF23.

The scope and volume of activities will increase more significantly than in any previous financial period. MIF will continue to deliver its direct charitable activities whilst delivering key workstreams that are critical to the organisation developing its operating model and opening Factory International on time and assuredly for welcoming audiences and the public.

The following presents a non-exhaustive list of the key areas of activity that the organisation will deliver over the forthcoming 12-months:

Festival

- Production of the next Festival artistic programme - MIF23 in July 2023.

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- Recruitment of resource to deliver the Festival including a programme of volunteers and public participants of the programme.

Factory International Opening Programme

- *Free Your Mind*: a large-scale immersive performance, specially created for the opening of Factory International.
- *The Welcome*: the building's first public engagement, curated by Factory International Assembly.

Non-Festival Charitable Activities

- An ongoing programme of international touring activities – presenting co-commissioned premieres from previous Festival at co-commissioner venues and delivering training and managed touring support to international partners.
- A growing programme of Community Engagement work focusing on connecting emerging talent and communities with Factory International.
- A number of training programmes as part of The Factory Academy working alongside Greater Manchester employers to ensure future skills development in the sector.

Pre-Factory International Events

- A number of physical pre-Factory productions that develop the brand and future audiences for Factory International, including commissions that celebrate the construction of the venue itself.
- The next Virtual Factory series that extends the reach of Factory International to digital audiences.

Factory International Transition

- Ongoing production of the opening artistic programme for Factory International.
- The launch of the new brand that will replace MIF as the trading name of the organisation when operating from the new venue.
- Audience development programme that will ensure the project attracts a volume of diverse and engaged audiences.
- Marketing of the venue for potential hires, and developing a pipeline of bookings for when the venue opens.
- Procurement and fit-out of all FF&E requirements for the new building that includes a range of specialist technical and generic equipment needed to deliver activities in the venue.
- Building the capacity and scale of MIF in readiness for opening which includes the learning and development of our staff and management teams.

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 September 2014. The company became a registered charity on 26 April 2006.

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Directors and trustees

MIF is governed by a diverse board of leaders from business, arts, local government and communities. 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 (except for 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 Board may, by ordinary resolution, appoint a person who is willing to be a director. The Schedule of Delegation requires that all new appointments go through a process with the Nominations Committee who then makes a recommendation to the Board on the suitability of persons to appoint.

Manchester City Council currently has appointed two persons as directors to the Board, and retains the powers to change these appointments as required. A director appointed by Manchester City Council may at any time be removed from office only by notice in writing by the City Council.

All other directors are subject to retirement after four years. 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 annual budget, the most recent management financial statements and papers from the previous two Board meetings. Additional training is made available to all new trustees to ensure that they are well supported to be able to carry out their responsibilities.

Organisation

The trustees administer the charity. They meet as a Board quarterly and through various sub-committees - Finance & Audit, HR, Commercial and Nominations - which meet prior to each main Board meeting.

The four meetings align with quarterly finance, Business Plan and external funding reporting to strengthen Board scrutiny of company performance. For the fifth meeting, the Board undertakes an annual full day retreat to ensure focus on long term strategy.

In addition to the four standing sub-committees, there is also an 'as required' committee for ethics-related issues, and various time limited working groups which convene, around topics such as key leadership appointments, key funding submissions, and key procurement activities related to the operating model. Individual members act as Board-nominated leads on specific areas including Equalities and Safeguarding.

A CEO & 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,

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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 (company number 09308388) was incorporated to deliver specific dramatic and music 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

Like many venue based organisations, the wider economic environment is presenting significant risks and challenges that the organisation is actively managing.

High risk supply-related issues include the availability of materials and equipment, and the availability of resource across roles that are essential to the operation of the new venue. Our FF&E procurement strategy has adapted to factor in the extensive lead times, and our recruitment plans are adapting to consider the reduced availability of sector-specific roles post-COVID and a focus on retention.

Rising inflation, particularly for gas and energy has had significant financial impact on our forecasted plans, and we are considering the potential impact of the cost of living increases on audience demand and visitor expenditure at the new venue. Throughout all future years we have a contingency policy to manage inflation at 4% of planned expenditure, and actively look to manage contracts in line with this rate.

Key areas of financial risk specifically for the organisation, include:

- failure to meet in full our income targets (specifically box office, co-commissioning income, sponsorship, and philanthropic donations) and
- failure to meet expenditure targets especially around larger and more complex artistic projects.

To mitigate these risks the organisation meets on a monthly basis to review the income and expenditure projections around the artistic programme of activity and to take responsive corrective action. All production budgets include a 10% expenditure contingency for unavoidable cost overages.

Sponsorship income is also regularly reviewed by both management and by the Finance & Audit Committee and if and when necessary, organisational budgets are reforecast to manage and mitigate the reduced income.

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As we transition towards the venue the areas of financial risk broaden and extend to include reduced non-artistic commercial income, and unplanned for additional expenditure commensurate with opening a new and complex building. To manage these areas specifically, the organisation has a reserves policy that includes £2m of unrestricted designated reserves for start-up related risks.

Further delays and shifts to the opening timeline for the venue is an area of risk that the organisation continues to actively monitor and manage. The scope of risk widens to include reputational and operational challenges if the risk were to materialise post launch of the opening programme in late September 2022. Financial impacts of a delay depend on the extent of the delay and the impact it would have on the opening programme of activity.

The charity regularly reviews all items of risk as a standing item at both the Finance & Audit committee meetings and the main Board meeting. Action is taken to mitigate and minimise those risks deemed significant and likely to occur.

Indemnity

During the 18-month financial period, 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
Charity address	Blackfriars House Parsonage Manchester M3 2JA
Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	The Co-operative Bank P O Box 250, Delf House

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Southway
Skelmersdale WN8 6WT

Solicitors

Eversheds Sutherland
6 Stanley St
Manchester M3 5GX

Directors and trustees of Manchester International Festival:

Thomas Bloxham MBE (Chairman)
Pat Bartoli (nominated by Manchester City Council, appointed 2 Mar 2022)
Cllr Luthfur Rahman (nominated by Manchester City Council)
Richard Paver
Sir Howard Bernstein
Richard Bell
Cathryn Wright
Jamil Khalil
Alan Bishop
Maria Balshaw
Jo Whitfield
Ngozi Ugochukwu
Fazeel Barber (appointed 2 Mar 2022)
Lamia Dabboussy (appointed 2 Mar 2022)
Laura Jordan-Bambach (appointed 2 Mar 2022)
Grace Ladoja (appointed 1 April 2021)
Ibrahim Mahama (appointed 1 April 2021)
Shaminder Nahal (appointed 1 April 2021)
Gary Neville (appointed 1 Apr 2021)

Company Secretary:

Hannah Cork (appointed 28 September 2020)

Key Management Personnel:

Chief Executive Officer & Artistic Director - John McGrath
Executive Director – Randel Bryan
Director of Finance & Resources – Hannah Cork
Venue Director – Sheena Wrigley
Creative Director – Kee Hong Low

Trustees' Annual Report

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 Second Edition of 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 for the period ended 31 March 2022

Opinion

We have audited the financial statements of Manchester International Festival (the 'parent charitable company') and its subsidiaries (the 'group') for the period ended 31 March 2022 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated and charity balance sheets, the consolidated and charity statement of cash flows and notes to the financial statements, including 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 affairs of the group and the parent charitable company as at 31 March 2022 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the period 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.

Basis for opinion

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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 annual report, 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 which includes the Directors' Report and the Strategic Report for the 18-month financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate 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 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.

Independent auditor's report (continued)

to the members and trustees of Manchester International Festival

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the trustees (who are also the directors of the parent 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group 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 the 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Independent auditor's report (continued)

to the members and trustees of Manchester International Festival

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

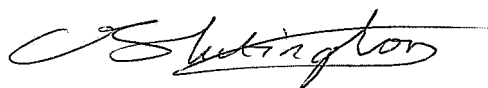
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Independent auditor's report (continued)

to the members and trustees of Manchester International Festival



Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

16 December 2022

Saffery Champness 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 18 months ended 31 March 2022

		Unrestricted	Restricted	18 Months Ended 31 Mar 2022	Unrestricted	Restricted	12 Months Ended 30 Sep 2020
		£	£	£	£	£	£
	Note						
Income:							
Donations & Legacies	2	3,719,961	14,256,422	17,976,383	2,353,472	9,452,885	11,806,357
Charitable Activities	3	2,094,394	-	2,094,394	955,920	-	955,920
Other Trading Activities	4	48,204	-	48,204	-	-	-
Investments	5	82,377	-	82,377	39,403	-	39,403
Total income		5,944,936	14,256,422	20,201,358	3,348,795	9,452,885	12,801,680
Expenditure							
Cost of raising funds							
Costs of generating income from Sponsors & Donations	6	357,369	536,054	893,423	224,297	336,446	560,743
Expenditure on charitable activities							
Festival costs	7	6,141,720	4,983,606	11,125,326	1,247,166	1,682,335	2,929,501
Factory Transition costs	7	-	6,824,998	6,824,998	-	3,152,195	3,152,195
Total expenditure		6,499,089	12,344,658	18,843,747	1,471,463	5,170,976	6,642,439
Net income and movement in funds	16	(554,153)	1,911,764	1,357,611	1,877,332	4,281,909	6,159,241
Taxation	20	128,039		128,039	22,242		22,242
Net income and movement in funds after tax		(426,114)	1,911,764	1,485,650	1,899,574	4,281,909	6,181,483
Total funds brought forward:							
At 1 October 2020		2,279,613	7,909,774	10,189,387	380,039	3,627,865	4,007,904
Total funds carried forward		1,853,499	9,821,538	11,675,037	2,279,613	7,909,774	10,189,387

These results derive from continuing activities and all gains and losses recognised in the year are included in the above statement.

The notes on pages 34 to 51 form part of these financial statements.

Charity Statement of Financial Activities

(including income and expenditure account)

for the 18 months ended 31 March 2022

		Unrestricted	Restricted	18 Months Ended	Unrestricted	Restricted	12 Months Ended
		31 Mar 2022			30 Sep 2020		
		£	£	£	£	£	£
	Note						
Income:							
Donations & Legacies	2	3,719,961	14,256,422	17,976,383	2,353,472	9,452,885	11,806,357
Charitable Activities	3	2,094,394	-	2,094,394	955,920	-	955,920
Other Trading Activities	4	48,204	-	48,204	-	-	-
Investments	5	82,377	-	82,377	39,403	-	39,403
Total income		5,944,936	14,256,422	20,201,358	3,348,795	9,452,885	12,801,680
Expenditure							
Cost of raising funds							
Costs of generating income from Sponsors & Donations	6	357,369	536,054	893,423	224,297	336,446	560,743
Expenditure on charitable activities							
Festival costs	7	6,011,799	4,983,606	10,995,405	1,247,166	1,682,335	2,929,501
Factory Transition costs	7	-	6,824,998	6,824,998	-	3,152,195	3,152,195
Total expenditure		6,369,168	12,344,658	18,713,826	1,471,463	5,170,976	6,642,439
Net income and movement in funds	16	(424,232)	1,911,764	1,487,532	1,877,332	4,281,909	6,159,241
Total funds brought forward:							
At 1 October 2020		2,257,371	7,909,774	10,167,145	380,039	3,627,865	4,007,904
Total funds carried forward		1,833,139	9,821,538	11,654,677	2,257,371	7,909,774	10,167,145

The notes on pages 34 to 51 form part of these financial statements.

Group and Charity Balance Sheet

As at 31 March 2022

	Note	Group 31 Mar 2022 £	Charity 31 Mar 2022 £	Group 30 Sep 2020 £	Charity 30 Sep 2020 £
Fixed assets					
Tangible assets	12	171,947	171,947	29,263	29,263
Intangible assets	12	283,146	283,146	34,725	34,725
Investments	25	5,000,000	5,000,001	5,000,000	5,000,001
		5,455,093	5,455,094	5,063,988	5,063,989
Current assets					
Debtors	13	1,110,310	1,085,357	711,452	689,210
Cash and bank balances		6,091,073	6,077,004	5,369,610	5,369,609
		7,201,383	7,162,361	6,081,062	6,058,819
Creditors:					
Amounts falling due within one year	14	(981,439)	(962,778)	(955,663)	(955,663)
Net current assets		6,219,944	6,199,583	5,125,399	5,103,156
Net assets		<u>11,675,037</u>	<u>11,654,677</u>	<u>10,189,387</u>	<u>10,167,145</u>
Funds					
Unrestricted Funds - General	16	1,853,499	1,833,139	2,279,613	2,257,371
Restricted Funds	16	9,821,538	9,821,538	7,909,774	7,909,774
		<u>11,675,037</u>	<u>11,654,677</u>	<u>10,189,387</u>	<u>10,167,145</u>

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



Richard Paver
Date: 15 December 2022

Charity Statement of Financial Activities

(including income and expenditure account)

for the 18 months ended 31 March 2022

The notes on pages 34 to 51 form part of these financial statements

Group and Charity Statements of Cash Flows

for the 18 months ended 31 March 2022

	Group 2022 £	Charity 2022 £	Group 2020 £	Charity 2020 £
Cash inflow from operating activities				
Surplus/(deficit) for the year	1,485,650	1,487,532	6,181,483	6,159,241
Adjustment for non-cash items				
Depreciation	145,101	145,101	68,569	68,569
Decrease/(Increase) in debtors	(398,858)	(396,147)	3,528,366	3,550,608
(Decrease)/Increase in trade and other creditors	139,894	137,733	(671,637)	(671,637)
(Decrease)/Increase in accruals & deferred income	(114,118)	(130,618)	(874,242)	(874,242)
Net cash flow from operating activities	<u>1,257,670</u>	<u>1,243,601</u>	<u>8,232,539</u>	<u>8,232,538</u>
Cash flow from investing activities				
Investment			(5,000,000)	(5,000,000)
Payments made to acquire fixed assets	(536,206)	(536,206)	(60,800)	(60,800)
	<u>(536,206)</u>	<u>(536,206)</u>	<u>(5,060,800)</u>	<u>(5,060,800)</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>721,463</u>	<u>707,395</u>	<u>3,171,738</u>	<u>3,171,738</u>
Cash and cash equivalents at beginning of the year	<u>5,369,610</u>	<u>5,369,609</u>	<u>2,197,872</u>	<u>2,197,871</u>
Cash and cash equivalents at end of the year	<u>6,091,073</u>	<u>6,077,004</u>	<u>5,369,610</u>	<u>5,369,609</u>

Net debt reconciliation - Group	At start of year £	Cashflows £	At end of year £
Cash	4,781,465	1,025,387	5,806,852
Cash equivalents (foreign currencies)	588,145	(303,924)	284,221
TOTAL	<u>5,369,610</u>	<u>721,463</u>	<u>6,091,073</u>

Net debt reconciliation - Charity	At start of year £	Cashflows £	At end of year £
Cash	4,781,464	1,011,319	5,792,783
Cash equivalents (foreign currencies)	588,145	(303,924)	284,221
TOTAL	<u>5,369,609</u>	<u>707,395</u>	<u>6,077,004</u>

Notes to the financial statements

As at 31 March 2022

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) 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.

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

The financial statements have been prepared under the historical cost convention.

Reporting period

The company has prepared accounts for a period of 18 months, being the period from 1 October 2020 to 31 March 2022. This has been done to align the year end with that of major stakeholders and simplify reporting. The comparative figures, including the related notes, are therefore not entirely comparable.

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.

Notes to the financial statements (continued)

As at 31 March 2022

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.

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 have been met; the receipt of economic benefit from the use by the charity of the item is probable, and that economic benefit can be 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.

Costs 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.

All significant producing costs expended in respect of the shows presented in future years are included in the prepayments in the Balance Sheet.

Tangible Assets

Tangible fixed assets over £1,000 are capitalised. They are depreciated evenly over their expected useful lives. Depreciation is calculated at the following rates:

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

Intangible Assets

Notes to the financial statements (continued)

As at 31 March 2022

Intangible assets include software and intellectual property that the company believes will provide ongoing economic benefit. Intangible assets are capitalised when it is expected that the project cost will be in excess of £5,000 and the period of benefit is at least 2 years. Amortisation is charged from the point an asset is brought into use and the amortisation period is between 2 and 5 years dependent on the type of asset.

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.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. 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.

Financial instruments

The Charity has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Other than where specifically stated all of the charity's financial instruments are classed as basic financial instruments. Financial assets are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the

Notes to the financial statements (continued)

As at 31 March 2022

present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through the statement of financial activities are measured at fair value.

Basic financial liabilities

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

Critical estimates and judgements

The preparation of the financial statements in accordance with FRS 102 requires the trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation and doubtful debt provision. The accounting in these areas of the accounts requires management to use judgement. In relation to accruals this is a best estimate of costs that will be incurred based on contractual requirements. Provision for doubtful debts is based on the age of debts and probability of their recovery. For depreciation and amortisation, the estimates are driven by the useful economic life of the associated assets.

Notes to the financial statements (continued)

As at 31 March 2022

2 Grants & Donations	Unrestricted £	Restricted £	18 Months to 31-Mar-22 £	12 Months to 30-Sep-20 £
Manchester City Council	2,250,000		2,250,000	1,000,000
Arts Council England	1,255,826	13,665,600	14,921,426	10,265,214
Arts Council England project grants		90,000	90,000	180,000
Greater Manchester Combined Authority	135,000		135,000	90,000
Innovate UK		31,575	31,575	4,460
The British Council		8,000	8,000	-
The Esmee Fairbairn Foundation		147,548	147,548	-
The Paul Hamlyn Foundation		234,592	234,592	102,825
The Bloxham Charitable Trust	20,000		20,000	-
Covid-19 Job Retention Scheme grant	-		-	151,474
Kickstart Scheme		79,107	79,107	-
Other grants			-	2,000
Individual Donations	59,135		59,135	10,384
	<u>3,719,961</u>	<u>14,256,422</u>	<u>17,976,383</u>	<u>11,806,357</u>

The amount received from Government grants in 18 months to March 2022 was £17,405,257 (2020: £11,691,148).

2 Grants & Donations - prior year

	Unrestricted £	Restricted £	30-Sep-20 £
Manchester City Council	1,000,000		1,000,000
Arts Council England	1,099,614	9,165,600	10,265,214
Arts Council England project grants		180,000	180,000
Greater Manchester Combined Authority	90,000		90,000
Innovate UK		4,460	4,460
The Esmee Fairbairn Foundation			-
The Paul Hamlyn Foundation		102,825	102,825
The Bloxham Charitable Trust			
Covid-19 Job Retention Scheme grant	151,474		151,474
Other grants	2,000		2,000
Individual Donations	10,384		10,384
	<u>2,353,472</u>	<u>9,452,885</u>	<u>11,806,357</u>

Notes to the financial statements (continued)

As at 31 March 2022

3 Income from Charitable Activities

	Unrestricted 18 Months to 31-Mar-22 £	Unrestricted 12 Months to 30-Sep-20 £
Support from Sponsors	658,102	486,215
Contractual income from Local Authorities	28,426	-
Box Office (Admission charges)	192,348	-
Income from co-production & co-commissioning activities	263,022	202,203
Income from touring activities	221,834	246,757
Factory Academy (training & education)	258,947	
Partnership projects & other charitable activities	411,527	
Membership, Sale of Programmes	60,188	20,745
	<u>2,094,394</u>	<u>955,920</u>

4 Income from Other trading activities

	18 Months to 31-Mar-22 £	12 Months to 30-Sep-20 £
Food & drink, merchandise & miscellaneous	<u>48,204</u>	<u>-</u>

5 Investments

	18 Months to 31-Mar-22 £	12 Months to 30-Sep-20 £
Interest receivable	<u>82,377</u>	<u>39,403</u>

6 Cost of Raising funds

	18 Months to 31-Mar-22 £	12 Months to 30-Sep-20 £
Wages and salaries	595,871	385,459
Direct costs	194,636	120,243
Support costs (Note 8)	102,913	55,040
	<u>893,423</u>	<u>560,743</u>

Notes to the financial statements (continued)

As at 31 March 2022

7 Expenditure on Charitable activities

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

Festival activities

	Other Direct Costs £	Wages and Salaries £	18 Months to 31-Mar-22 £	12 Months to 30-Sep-20 £
General Festival Costs	581,957	393,613	975,570	250,707
R&D	243,319	201,507	444,826	238,053
Festival Producing Costs (including touring)	5,239,499	1,495,400	6,734,899	1,262,297
Creative Engagement	184,645	276,319	460,964	306,821
Volunteers	20,511	36,262	56,773	3,649
Branding, Communications & Marketing	984,017	493,576	1,477,593	406,181
Governance	33,662	68,460	102,122	54,952
Support costs (note 8)	742,658	-	742,658	406,841
	<u>8,030,269</u>	<u>2,965,137</u>	<u>10,995,405</u>	<u>2,929,501</u>

Festival activities - prior year

	Other Direct Costs £	Wages and Salaries £	30-Sep-20 £
General Festival Costs	17,868	232,839	250,707
R&D	174,715	63,338	238,053
Festival Producing Costs (including	635,835	626,462	1,262,297
Creative Engagement	118,303	188,518	306,821
Volunteers	3,649	-	3,649
Branding, Communications & Marketing	120,416	285,765	406,181
Governance	16,391	38,561	54,952
Support costs (note 8)	406,841	-	406,841
	<u>1,494,018</u>	<u>1,435,483</u>	<u>2,929,501</u>

The Factory Transition activities

	Other Direct Costs £	Wages and Salaries £	18 Months to 31- Mar-22 £	12 Months to 30-Sep-20 £
General Factory Transition Costs	1,009,885	1,441,380	2,451,265	723,756
R&D	364,979	220,132	585,111	238,490
Factory Producing	805,650	731,613	1,537,263	1,178,200
Creative Engagement	184,645	281,836	466,481	124,092
Skills & Training	102,467	95,455	197,922	116,346
Branding, Communications & Marketing	181,548	388,990	570,538	388,598
Governance	50,493	101,248	151,741	87,806
Support costs (note 8)	864,677	-	864,677	294,907
	<u>3,564,344</u>	<u>3,260,654</u>	<u>6,824,998</u>	<u>3,152,195</u>

Notes to the financial statements (continued)

As at 31 March 2022

The Factory Transition activities - prior year

	Other Direct Costs £	Wages and Salaries £	30-Sep-20 £
General Factory Transition Costs	336,936	386,820	723,756
R&D	122,448	116,042	238,490
Factory Producing	277,432	900,768	1,178,200
Creative Engagement	55,178	68,914	124,092
Skills & Training	20,891	95,455	116,346
Branding, Communications & Marketing	128,884	259,714	388,598
Governance	24,587	63,219	87,806
Support costs (note 8)	294,907	-	294,907
	<u>1,261,263</u>	<u>1,890,932</u>	<u>3,152,195</u>

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 £	Charitable Activities		18 Months to 31-Mar-22 £	12 Months to 30-Sep-20 £
		Festival £	The Factory Transition £		
Professional fees and charges	-	7,074	28,294	35,368	31,462
Other staff costs	2,115	332,392	332,392	666,899	289,286
Depreciation	14,510	58,040	72,550	145,101	68,567
Running expenses	47,145	188,581	235,726	471,452	141,200
Premises costs	39,143	156,571	195,714	391,429	226,273
	<u>102,913</u>	<u>742,658</u>	<u>864,677</u>	<u>1,710,248</u>	<u>756,789</u>

Support costs - prior year

	Generating Income £	Charitable Activities		30-Sep-20 £
		Festival £	The Factory Transition £	
Professional fees and charges	-	6,292	25,170	31,462
Other staff costs	11,436	138,925	138,925	289,286
Depreciation	6,857	41,140	20,570	68,567
Running expenses	14,120	84,720	42,360	141,200
Premises costs	22,627	135,764	67,882	226,273
	<u>55,040</u>	<u>406,841</u>	<u>294,907</u>	<u>756,789</u>

Notes to the financial statements (continued)

As at 31 March 2022

Where relevant, Professional fees and charges and Other staff costs are directly attributed to activities in respect of which they were incurred. Otherwise they are apportioned to activities according to estimated usage.

Depreciation, Running expenses and Premises costs are apportioned to activities according to estimated usage.

9 Movement in total funds for the period

Net movements in funds are stated after charging:

	18 Months to 31-Mar-22 £	12 Months to 30-Sep-20 £
Auditors' remuneration:		
Audit services	19,750	9,800
Non-audit services	-	-
Operating lease rentals	431,868	220,924
Depreciation	145,101	68,567
Foreign exchange loss (gain)	40,569	(6,612)

10 Analysis of staff costs

	18 Months to 31-Mar-22 £	12 Months to 30-Sep-20 £
Wages and salaries	5,969,738	3,231,057
Social security costs	628,411	348,662
Pension costs	223,516	132,155
	<u>6,821,664</u>	<u>3,711,874</u>

Number of employees:

The average monthly head count permanent and fixed term employees was 103.

The average monthly head count casual employees count was 7.

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

	31-Mar-22 No.	30-Sep-20 No.
£ 60,001 - £ 70,000	5	-
£ 70,001 - £ 80,000	2	4
£ 80,001 - £ 90,000	1	-
£ 90,001 - £100,000	1	1
£100,001 - £110,000	-	1
£110,001 - £120,000	-	2
£120,001 - £130,000	2	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>12</u>	<u>9</u>

Notes to the financial statements (continued)

As at 31 March 2022

	18 Months to 31-Mar-22 £	12 Months to 30-Sep-20 £
Total pension paid for during the reporting period, in respect of the higher paid employees, was:	68,334	39,472

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. Four (2020: Two) board members received re-imbursed travel expenses of £807 (2020: £405).

The key management of the parent charity, Manchester International Festival, comprise the trustees, Chief Executive Officer/Artistic Director, Executive Director, Creative Director, Director of Finance & Resources, Director for Organisational Change, Venue Director and Managing Director. The total employee benefits of the key management personnel for the reporting period of 18 months were £907,925 (2020: £644,110).

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.

12 Tangible Fixed Assets - Group and Charity

	Equipment £	Fixtures & Fittings £	Total £
Cost:			
At 1 October 2020	325,456	23,678	349,133
Additions	135,031	125,181	260,212
Disposals			-
At 31 March 2022	460,487	148,859	609,345
Depreciation:			
At 1 October 2020	297,897	21,973	319,869
Disposals			
Charge for the year	80,849	36,679	117,528
At 31 March 2022	378,746	58,652	437,397
Net book value:			
At 31 March 2022	81,741	90,207	171,948
At 1 October 2020	27,559	1,705	29,264

Notes to the financial statements (continued)

As at 31 March 2022

Intangible Assets - Group and Charity

	Intangible Assets £	Total £
Cost:		
At 1 October 2020	34,725	34,725
Additions	275,994	275,994
Disposals	-	-
At 31 March 2022	310,719	310,719
Depreciation:		
At 1 October 2020	-	-
Disposals		
Charge for the year	27,573	27,573
At 31 March 2022	27,573	27,573
Net book value:		
At 31 March 2022	283,146	283,146
At 1 October 2020	34,725	34,725

13. Debtors

	Group 31-Mar-22 £	Charity 31-Mar-22 £	Group 30-Sep-20 £	Charity 30-Sep-20 £
Trade debtors	204,444	180,881	426,981	404,739
Other debtors	17,395	17,395	2,627	2,627
Prepayments	225,716	225,716	191,843	191,843
Accrued Income	608,563	608,563	35,883	35,883
VAT	54,192	52,802	54,118	54,118
	1,110,350	1,085,357	711,452	689,210

14 Creditors: amounts falling due within one year

	Group 31-Mar-22 £	Charity 31-Mar-22 £	Group 30-Sep-20 £	Charity 30-Sep-20 £
Trade creditors	300,937	298,776	209,491	209,491
Other creditors	73,659	73,659	25,211	25,211
Accruals	413,128	396,628	201,108	201,108
Deferred income	193,715	193,715	519,853	519,853
	981,439	962,778	955,663	955,663

Notes to the financial statements (continued)

As at 31 March 2022

15 Deferred income - Group and Charity

Deferred income:

	Group £	Charity £
At 1 October 2020	519,853	519,853
Amount released in the period	(331,138)	(331,138)
Amount deferred in the period	5,000	5,000
At 31 March 2022	<u>193,715</u>	<u>193,715</u>

Deferred income - prior year:

	Group £	Charity £
At 1 October 2019	701,111	701,111
Amount released in the year	(476,258)	(476,258)
Amount deferred in the period	295,000	295,000
At 30 September 2020	<u>519,853</u>	<u>519,853</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

	Movement in Funds			
	Balance at 01-Oct-20 £	Net incoming resources £	Net outgoing resources £	Balance at 31-Mar-22 £
Analysis of unrestricted funds movements:				
General Funds	2,279,613	6,072,975	(6,499,088)	1,853,499
Analysis of restricted funds movements:				
Restricted Funds	7,909,774	14,256,422	(12,344,658)	9,821,538
	10,189,387	20,329,397	(18,843,747)	11,675,037

Notes to the financial statements (continued)

As at 31 March 2022

Analysis of charitable funds - Group - prior year

	Balance at 01-Oct-19 £	Net incoming resources £	Net outgoing resources £	Balance at 30-Sep-20 £
Analysis of unrestricted funds movements:				
General Funds	380,039	3,371,037	(1,471,463)	2,279,613
Analysis of restricted funds movements:				
Restricted Funds	3,627,865	9,452,885	(5,170,976)	7,909,774
	<u>4,007,904</u>	<u>12,823,921</u>	<u>(6,642,439)</u>	<u>10,189,387</u>

Analysis of charitable funds - Charity

	Movement in Funds			
	Balance at 01-Oct-20 £	Net incoming resources £	Net outgoing resources £	Balance at 31-Mar-22 £
Analysis of unrestricted funds movements:				
General Funds	2,257,371	5,944,936	(6,369,168)	1,833,139
Analysis of restricted funds movements:				
Restricted Fund	7,909,774	14,256,422	(12,344,658)	9,821,538
	<u>10,167,145</u>	<u>20,201,358</u>	<u>(18,713,826)</u>	<u>11,654,677</u>

Analysis of charitable funds - Charity - prior year

	Balance at 01-Oct-19 £	Net incoming resources £	Net outgoing resources £	Balance at 30-Sep-20 £
Analysis of unrestricted funds movements:				
General Funds	380,039	3,348,795	(1,471,463)	2,257,371
Analysis of restricted funds movements:				
Restricted Fund	3,627,865	9,452,885	(5,170,976)	7,909,774
	<u>4,007,904</u>	<u>12,801,680</u>	<u>(6,642,439)</u>	<u>10,167,145</u>

Notes to the financial statements (continued)

As at 31 March 2022

17 Outline summary of restricted fund movements - Group and Charity

Fund Name	Fund Balances Brought Forward 01-Oct-20	Income	Expenditure	Fund Balances Carried Forward 31-Mar-22
	£	£	£	£
Arts Council - Under the Radar	91,000	90,000	71,148	109,852
Arts Council - The Factory grant	7,772,217	13,665,600	11,954,349	9,483,468
Innovate UK	-	31,575	31,575	-
R&D for Inclusive Producer Training	-	8,000	8,000	-
Esmee Fairbairn Foundation	-	100,000	33,653	66,347
Esmee Fairbairn Foundation	-	47,548	-	47,548
The Paul Hamlyn Foundation	46,557	234,592	166,826	114,323
Kickstart grant	-	79,107	79,107	-
	7,909,774	14,256,422	12,344,658	9,821,538

Name of restricted fund	Description, nature and purpose of the fund
Arts Council - Under the Radar	Showcasing the UK artists at the Under the Radar festival in New York
Arts Council - The Factory grant	NPO Funding for delivery of MIF/The Factory Business Plan, including the MIF21 Festival activities.
Innovate UK	Delivery of the programme of work in respect of Audiences of Future project that focuses on immersive performances of the future.
British Council - Inclusive Producer Training	Research & development for inclusive producer training overseas and in the UK.
The Esmee Fairbairn Foundation	A five year programme that transforms how people access, engage and benefit from the arts with three new approaches: creating a grassroots ambassador programme (Community Advocates), building more equitable partnerships with local organisations (Community Contracts) and developing useful skills for residents (a co-designed skills programme).
The Esmee Fairbairn Foundation	Reinventing Performing Arts programme of work that is split across Digital (content and creation) and Talent Development strands.
The Paul Hamlyn Foundation	A four-year programme of community-led curation building on some of previous MIF successful models including public forums, co-curation, participatory commissions and digital innovation
Kickstart Grant	Funding helping MIF as an employer to create jobs for 16-24 year old on Universal Credit

Outline summary of restricted fund movements - Group and Charity - prior year

Fund Name	Fund Balances Brought Forward 01-Oct-19	Income	Expenditure	Fund Balances Carried Forward 30-Sep-20
	£	£	£	£
Arts Council - Under the Radar	-	180,000	89,000	91,000
Arts Council - The Factory grant	3,618,547	9,165,600	5,011,930	7,772,217
Innovate UK	-	4,460	4,460	-
Esmee Fairbairn Foundation	9,318	0	9,318	-
The Paul Hamlyn Foundation	-	102,825	56,268	46,557
	3,627,865	9,452,885	5,170,976	7,909,774

Notes to the financial statements (continued)

As at 31 March 2022

<i>Name of restricted fund</i>	<i>Description, nature and purpose of the fund</i>
Arts Council - Under the Radar	Showcasing the UK artists at the Under the Radar festival in New York
Arts Council - The Factory grant	NPO Funding for delivery of MIF/The Factory Business Plan, including the MIF21 Festival activities.
Innovate UK	Delivery of the programme of work in respect of Audiences of Future project that focuses on immersive performances of the future.
The Esmee Fairbairn Foundation	Delivery of the remaining activities of My Festival programme of work.
The Paul Hamlyn Foundation	Delivering localised community curation (including Talking Points, Festival in My House, The Factory Floor)

18 Analysis of net assets between funds - Group

	31-Mar-22	General Funds £	Restricted Funds £	Total Funds £
Fixed Assets		71,301	5,383,792	5,455,093
Current assets		2,076,235	5,125,148	7,201,383
Current liabilities		(294,037)	(687,402)	(981,439)
		<u>1,853,499</u>	<u>9,821,538</u>	<u>11,675,037</u>

Analysis of net assets between funds - Group

	30-Sep-20	General Funds £	Restricted Funds £	Total Funds £
Fixed Assets		23,586	5,040,402	5,063,988
Current assets		2,896,946	3,184,116	6,081,062
Current liabilities		(640,919)	(314,744)	(955,663)
		<u>2,279,613</u>	<u>7,909,774</u>	<u>10,189,387</u>

Analysis of net assets between funds - Charity

	31-Mar-22	General Funds £	Restricted Funds £	Total Funds £
Fixed Assets		71,301	5,383,793	5,455,094
Current assets		2,050,493	5,111,868	7,162,361
Current liabilities		(288,655)	(674,123)	(962,778)
		<u>1,833,139</u>	<u>9,821,538</u>	<u>11,654,677</u>

Notes to the financial statements (continued)

As at 31 March 2022

Analysis of net assets between funds - Charity

30-Sep-20	General Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	5,023,586	40,402	5,063,988
Current assets	2,874,702	3,184,116	6,058,819
Current liabilities	(640,918)	(314,744)	(955,662)
	<u>7,257,371</u>	<u>2,909,774</u>	<u>10,167,145</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.

20 Taxation

The company is a registered charity and no provision for taxation is considered necessary. The Group benefits from a tax refund of £128,039 (2010: £22,242), in respect of the losses MIF Productions incurred during the year in the course of delivering specific productions for MIF.

21 Operating lease commitments

	Land & Buildings	Office Equipment	Land & Buildings	Office Equipment
	31-Mar 22	31 Mar 22	30 Sep 20	30 Sep 20
	£	£	£	£
Total of non-cancellable operating leases payments for the following periods:				
not later than one year	250,000	39,920	246,891	36,972
later than one year and not later than 5 years	-	10,936	323,780	68,288
later than 5 years	-	-	-	-
	<u>250,000</u>	<u>50,856</u>	<u>570,671</u>	<u>105,260</u>

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 18 months to March 2022, the pension contributions charged to the accounts totalled £223,737 (£132,217 for the year ended 30 Sep 2020). No pension contributions were due to Scottish Widows at 31 March 2022 (2020: £25,274).

Notes to the financial statements (continued)

As at 31 March 2022

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.

The Charity received a donation from The Tom Bloxham Foundation

During the reporting period, the Charity rented its offices from Bruntwood limited.

MIF received sponsorship support from The Co-Operative Bank.

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 £106,470 (2020: £57,935) due to MIF from MIF Productions, which is included within trade debtors. This is resulting from the intercompanies transactions related to the delivery of production, presentation and closure of the festival shows eligible for theatre and orchestra tax relief.

24 Derivatives

The charity purchases forward foreign currency contracts to hedge currency exposure on firm future commitments in respect of foreign suppliers. It also has receivables in foreign currencies which are held by a third party. No derivatives (2020: NIL) were still held at the balance sheet date. At the balance sheet date, the charity had £284,221 (2020: £588,145) in foreign currencies.

Notes to the financial statements (continued)

As at 31 March 2022

25 Investments

MIF invested £1 in its subsidiary, MIF Productions (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 the 18 months to March 2022 was £708,678 (2020: £372,937), as the company was contracted by Manchester International Festival to deliver production, presentation and closure of the shows eligible for theatre and orchestra tax relief. The loss on ordinary activities before tax for the 18 months to March 2022 was £122,419 (2020: £65,435). The company made profit after tax of £5,621. At the balance sheet date, net assets were £20,364 (2020: £14,743).

Manchester International Festival held £5,000,000 invested in five two-year deposit accounts, £1 million each.

MANCHESTER INTERNATIONAL FESTIVAL

England & Wales - Charity number 1113902

Accounts

Company number: 05292793

Charity number: 1113902

Manchester International Festival

Trustees Report and Financial Statements

30 September 2020

Trustees Report and Financial Statements

30 September 2020

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Trustees' Annual Report (continued)

The Trustees are pleased to present the annual directors' report together with the audited consolidated financial statements of the charity and its trading subsidiary for the year to 30 September 2020 which are also prepared to meet the requirements for a directors' report, strategic report and accounts for Companies Act purposes.

Our Purposes, Objectives and Activities

Purposes

Manchester International Festival (MIF) 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 their promotion through the holding of festivals of culture, ideas, and creativity.

Objectives

This year continues the transformation of Manchester International Festival (MIF) from an organisation that has as its main activity a biannual festival, to that of a larger organisation that from the end of 2022 will have its own permanent and all-year round venue, The Factory.

The organisation's five-year business plan for 2020-2025 has five strategic objectives:

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 2022. This includes creative and commissioning partnerships, fundraising relationships with sponsors and individual donors, audiences, commissioning, and 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 2022.

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

1. To establish The Factory as a sustainable, democratic space for creative exploration and production; celebrated internationally and loved locally.
2. To develop and deliver new models for developing and distributing creative work – through technological innovation, commercial partnerships, social enterprise, and international collaborations.
3. To create and deliver new possibilities for employment, training and education, particularly for those who have been economically excluded.

Trustees' Annual Report (continued)

In the opinion of the trustees these objectives are consistent with the duty of the organisation 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

2019/2020 was a non-festival year for MIF but like with many organisations operating within the Arts and Culture sector, Covid-19 had a significant impact on the activities of the organisation.

International programme

Several co-commissioned premieres from MIF 2019 had international presentations scheduled to take place throughout 2020. As a direct result of Covid-19, many were either cancelled or postponed. These included presentations of Tao of Glass, Porca Miseria, Maggie the Cat and Invisible Cities. The expectation is that there will be a slow recovery of our touring programme with a return to live presentations worldwide unlikely to be seen before late 2022. Income from touring activities for the year ended September 20 was £247k compared to £696k in the prior year.

Fundraising

As a direct result of Covid-19, several supporters and prospects in the business community responded by putting a hold on any discretionary spending until the longer-term position in relation to both Covid-19 and Brexit is more understood. This has resulted in a reduction in the amount of fundraising income that the organisation has been able to recognise in this financial year. Despite this, the fundraising teams are continuing to work with our business supporters and to find ways to allow the organisation to continue to raise funds successfully for next year's Festival.

Artistic programme

In response to Covid-19 there has been a pivot of our artistic work towards supporting artists who have been professionally impacted by the closure of arts venues and the significant loss of income in the sector. MIF responded to the needs of artists in several ways, including an increased on-line commissioning programme, on-line drop-in sessions for support, advice, and peer learning.

Some of our overall programme of artistic work delivered in 2019/20 included:

Commissioning of six international artists to create short based screen work to be presented on different on-line platforms. Partners included Brooklyn Academy of Music (BAM) in New York and Le Chatelet in Paris. Artists included:

- Akram Khan, choreographer (UK)
- Angelique Kidjo, singer and composer (Benin)
- Ibrahim Mahama, visual artist (Ghana)
- Lola Arias, theatre director (Argentina)
- La Horde and Lucinda Childs, mixed media artists and choreographer (France/USA)
- Meriem Bennani, visual artist, animator, filmmaker (Morocco)

Trustees' Annual Report (continued)

Engagement work responding to immediate community needs around Covid-19 and Black Lives Matter including:

- ***A Conversation for Change***
Organised by MIF's Young People's Forum. 75 attendees from over 30 arts organisations joined to celebrate the solidarity shown by the Black community in Manchester.
- ***Speak Out***
Six weeks of speechmaking and writing workshops for young people from Young Identity, Xaverian College and MIF's Young People's Forum (YPF), led by a wide range of accomplished local and national speakers, writers and activists.
- ***Paradise Works***
Collaborating with an artist-led community to deliver a "Festival in My Neighbourhood" event that created a film portrait of East Salford during lockdown, based on video submissions.
- ***Artist Drop-ins***
Online Artist Drop-In sessions throughout July and August which engaged over 200 participants.
- ***MIF Sounds and Festival in My House...and Yours***
For Greater Manchester artists and creatives to apply for remote music residencies or micro commissions in people's homes.
- ***Talking Points***
A virtual talk series that invited people from across Greater Manchester to join in a conversation around Covid-19 and its impact on communities.

MIF Live on-line broadcasts which ranged in scale and size, aimed at providing opportunities for artists and developing on-line audiences through YouTube. Highlights included:

- ***Together in One Voice***
A city-wide collaboration with Manchester City Council and GMCA, supported by the Co-Operative Bank. A mass Manchester singalong featuring some of Manchester's top musicians gained considerable traction on social media and created a genuine feelgood moment for thousands of participants.
- Online interviews with high-profile artists like FKA twigs, Riz Ahmed, and New Order.
- The commissioning of new events for live broadcast which included ***Party Skills for the End of the World (the lockdown edition)***.
- MIF Live activity resulted in an increase in the number of YouTube subscribers by almost 8000 from when the programme began in April 2020.
- A total of 24,000 people tuned in live across seven weeks, with 335,000 views in total, amounting to time spent watching adding up to over 2 and a half years.
- Across the same period, our entire YouTube library received 190,000 views and over 1.2 million impressions with our most popular broadcasts including New Order at MIF17 and *Together in One Voice*.
- Our online audience was notably international, with the top ten viewer countries changing each week. This also came through in the diversity of languages in our live chats, particularly from fans tuning in for New Order and FKA twigs.

Trustees' Annual Report (continued)

Pre-Factory programme

Our first pre-Factory project of the year was Virtual Factory that included a series of commissions by leading international artists invited by MIF to create online work responding to the architecture of The Factory.

The first project, ***Your Progress Will be Saved***, was an installation experience created by the virtual avatar artist and curator LaTurbo Avedon that launched in July 2020. The commission was located within a digital version of The Factory that was built within the Fortnite gaming platform.

Other planned pre-Factory projects had to be rescheduled due to the impact of Covid-19, including:

- Riz Ahmed's ***The Long Goodbye*** which is expected to deliver in 2022.
- Deborah Warner's ***Arcadia*** which will now be presented as part of MIF21 inside The Factory.
- Neville Gabie's ***Factory Work*** project, which involved working with the construction workforce, and is now rescheduled for October 2021.

MIF 2021

The Board have agreed that the organisation will move ahead to run a Festival in 2021, although clearly the expectation is that Covid-19 will continue to have a significant impact. Detailed scenario planning for MIF 2021 is ongoing to allow the organisation to consider the feasibility of different programme options (live, outdoor, or digital) in response to Covid-19 tier scenarios, audience restrictions and social-distancing measures. The changing external circumstances that the programme will need to respond to, means that confirmation of festival events and commissions will take place later than normal in mid-April 2021.

Financial Planning

Financial planning of the two-year budget (October 2019 to September 2021) has been regularly reviewed and updated to reflect the impact of Covid-19 on both this financial year and the next. Our expectations are that Covid-19 will have a significant negative impact on MIF21 box office, sponsorship, and co-commissioning income.

Additional contingency within our budget has been created to provide for both income reductions and likely increases in expenditure relating to the need for an enhanced digital programme and additional health and safety measures to ensure Covid-19 venue safety compliance.

Transformation planning

A high-level transition plan and programme to define and support MIF's journey to The Factory was originally developed in early 2020. This plan focused on identifying and timelining key areas of transformation out of scope of normal business and included: facilities management (Hard and Soft); venue operations, the opening season artistic programme, people management (recruitment and organisational development), IT development; procurement; governance and legal structuring.

Trustees' Annual Report (continued)

Due to the delay of the Factory opening to end of 2022, the original plan of work is currently being rescoped and redefined to take into account the changed timeframes, a more comprehensive plan of work, and the more detailed knowledge that is now available.

Business Planning

During this financial year, MIF also developed and revised its business plan for its work over the next 5 years (2020 to 2025) covering the initial opening years of The Factory. The business plan process followed a detailed 'bottom-up approach' with wide engagement from across the organisation alongside significant external benchmarking and market-consultancy support around venue-related areas of the plan including the operating model.

The result is a business plan that will not only add significant improvements to our financial planning & control as we transition to the Factory but will provide an operational blueprint for delivering on the strategic objectives of the Factory.

The business plan is now a living and breathing document that the organisation will continue to develop and update to ensure that it adapts and responds to key risks and opportunities.

Fundraising Activities

MIF employs an in-house development team who are responsible for fundraising for the Festival.

In addition to our public sector income, and donations from individual philanthropists, and trusts & foundations, the fundraising team generate income support from a range of corporate partners and through memberships and individual supporter donations at point of ticket purchase. Except for our NPO funding and income from trusts & foundations, funds raised are unrestricted.

Our fundraising strategy is developed in accordance with our company policies relating to GDPR and ethics. Our fundraising activities strictly follow Code of Fundraising Practice and standards set out by the Fundraising Regulator. Gift Aid is claimed in accordance with HMRC policy.

All donations are processed directly by the development and finance teams, except for membership and box office donations which are processed through our ticketing system (Spektrix) and by our box office teams who receive donation training as part of their induction. Donations from the public are given at the point of ticket sale, so no approaches to vulnerable individuals are made.

In the financial period ending September 2020 there were no reported complaints relating to fundraising. Our costs for generating all fundraising income totalled £560,743 which was comparable to the previous financial year.

Trustees' Annual Report (continued)

Change to Governance and Management

Changes to the governance structure during this financial year included the establishment of a Commercial sub-committee of the board charged with overall responsibility for supporting the long-term commercial success and sustainability of The Factory, including:

- Building long-term resilience and ensuring sustainability in The Factory; the committee supports the leadership of The Factory's commercial and capital investment activities and assures their effective management by reviewing strategic and business plans, and monitoring performance.
- Developing understanding across the organisation of business planning; financial literacy; attitudes towards profit, risk, 3rd parties and commercial opportunities.
- Keeping under review the general governance, management, and partnership structures to maximise the opportunities for achieving objectives.

The committee reports and makes recommendations to the MIF main board. It is chaired by Richard Bell, a Trustee who is also a member of the Finance and Audit Committee.

Three new board members were recruited through an open recruitment process managed by the Nominations committee during the year ended September 2020. In addition, a representative from our Young People's Forum (YPF) was also inducted into the board during this year.

Changes to the trustee board during the year and since the year end are detailed on page 15.

Management and staffing

Several key management staff joined MIF or changed role during the year as part of the organisation developing capacity and skills for the move to The Factory.

These changes included:

- Randel Bryan joining as Executive Director
- Fiona Gasper transitioning into the role of Director of Organisational Change
- Hannah Cork joining as Director of Finance & Resources
- Helen Faulkner joining as Director of Audiences

Additionally, two new roles were recruited to enable MIF to position access and sustainability as key strategic objectives at the heart of the organisation's ongoing work.

- Feimatta Conteh joined as Sustainability Manager
- Kate Fox joined as Access Manager

Trustees' Annual Report (continued)

Financial review

The group generated a positive surplus over the year ending September 2020 of £6,181,483 with the result that reserves increased from £4,007,904 to £10,189,387.

Donations and Legacies

Although not a Festival year, MIF was successful in securing income of £11,806,357 from Grants and Donations that was broadly comparable with the prior year ending September 2019.

The larger part of donated income is provided by Arts Council England's National Portfolio Organisation (NPO) funding agreement which was secured in April 2018 to provide a £9m annual restricted grant for the ongoing preparation and development of the organisation for the opening of The Factory. Additionally, in this year MIF were also able to recognise a further £1.1m in unrestricted funding from Arts Council England to support our Equalities Representation Action Plan in developing not only our organisation but the artists and audiences that we engage with.

Included within this category of income is monies received in relation to the Government Job Retention Scheme of £151,474 from the organisation having around one-third of its workforce furloughed under the scheme for the six-months from March 2020.

Charitable Activities

Our income from charitable activities presents income from a non-Festival year. In which Covid-19 has impacted adversely on all areas of income, particularly the support of sponsors and touring activities.

Expenditure on Charitable Activities

A greater proportion of expenditure in the year ended September 2020 was in relation to the transition of MIF to The Factory. Comparatively to the previous year Factory producing costs were reduced because of the impact of Covid-19 on our pre-Factory programme.

Festival expenditure reflects timing of spend in respect of presenting a non-Festival year with both producing and creative engagement costs incurred in close proximity to the Festival itself.

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 accounts, which in the year ended September 2020 generated interest receivable of £39,403.

Reserves Policy

MIF's Reserves Policy is reviewed and updated annually as part of the organisation's longer-term strategic financial planning. The Reserves Policy considers the general level of risk within the current and future operations alongside any future identified cash needs. The Reserves Policy been designed to ensure that MIF can continue to deliver

Trustees' Annual Report (continued)

its charitable objectives both throughout this transition period to The Factory and beyond.

The latest Business Plan currently outlines the following reserve needs in preparation for the opening of The Factory:

- 1) An FF&E Reserve of £6.0m, built up in advance of the opening of The Factory to contribute towards the expected cost of Fixtures, Fittings & Equipment for the building. The FF&E Reserve is reduced each year from The Factory opening by an amount equivalent to the depreciation charged in respect of those assets. These funds are restricted.*
- 2) A Start-up Reserve, that acknowledges the inherent risk and uncertainty (in respect of both income and expenditure) in the first few years of operation of the new venue. The Start-up Reserve is set at £2m prior to opening but is reduced by £1m in the first opening year and thereafter by £500k per year - to £NIL by the end of the second full year of opening, March 2025. These funds are restricted.*
- 3) A designated Sinking Fund Reserve is required after the first opening year of The Factory. This reserve is to grow and build each year by £227k to contribute toward the capital replacement cycle of the venue. These funds are unrestricted.*
- 4) A non-designated General Reserve that considers the risk associated with the organisation's operations and which seeks to provide sufficient cover to allow the organisation to continue its charitable purposes in the event of an adverse impact to its unrestricted income. The value of the General Reserve at the time of opening The Factory is required to be £4.4m, with the value increasing to £4.9m in each subsequent full year of operation. These funds are unrestricted.*

As at the end of September 2020 the total value of restricted funds were £7,909,774 which is close to the £8.0m level of targeted restricted funds required at the time of opening The Factory. At the same time, the total level of unrestricted and general funds is £2,279,613 with a further £2.12m required to be built up to achieve the target level of reserves at the time of opening The Factory.

Trustees' Annual Report (continued)

Going Concern

The charity's future period plans are set out below. The group manages its activities with positive restricted and unrestricted cash balances. The charity relies on the funding from Central Government (paid via Arts Council England) as it builds up its capacity in readiness to open The Factory in 2022. MIF is also in receipt of circa £2m of unrestricted NPO funding from Arts Council, by the end of its current two-year budget cycle.

Both current NPO funding agreements contractually cover the period to March 2022, however as a response to Covid-19, Arts Council England announced the extension of all NPO grants by one year to March 2023. Additionally, the NPO funding for 2020/21 received an inflationary increase from April 2020, which brought an additional £179k into the financial year ended September 2020.

Alongside the long-term financial support of Arts Council England, MIF has also secured £2.5 million funding from Manchester City Council for the MIF21 two-year budget cycle ending 30th September 2022.

As with many other organisations, particularly within the Arts and Culture sector, MIF has been affected by the Covid-19 pandemic. From day 1 of the March 2020 lockdown measures, the organisation has been working on its response to the crisis and its assessment of the impact of this unprecedented situation.

Although this has been a non-festival year for MIF, there has nonetheless been a significant impact on the level of activity that the organisation would have expected and hoped to have delivered in this financial year. International touring plans have undoubtedly seen the greater impact because of Covid-19, although a few of our UK-based pre-Factory events have also needed to adapt and respond to the changed guidance for live events.

The MIF21 programme has also by necessity changed from its original scope and design as lockdown measures have continued into 2021, bringing an increased likelihood of a social distancing requirement for MIF21 and a lower-risk profile for outdoor versus indoor events.

Ongoing and recent financial planning work has reduced the levels of expected income from box office and food & beverage income (Festival Square) because of reduced audience figures in respect of social distancing. Sponsorship income has also reduced significantly by £1.5m in respect of the financial pressures being faced by potential sponsors because of Covid-19.

In response to the significant income impacts, cost reductions have and continue to be made in the current two-year budget cycle in order that the organisation comes close to achieving its targeted level of closing reserves for 30th September 2021. These savings have cut across all areas of the organisation, including the artistic programme for MIF21.

Whilst there is still some potential forecasting risk in the remaining income figures for the two-year budget cycle, the organisation has considered it necessary to increase its levels of contingency to mitigate further financial impacts in respect of Covid-19.

It is expected that Covid-19 will have a much longer term impact beyond MIF21 and that in the face of a likely economic downturn, the organisation's ability to raise sponsorship funding and donations from individuals will be much less than previously anticipated. The financial risk of this has been considered within the longer-term financial planning of the organisation and will continue to be regularly reviewed by the Finance & Audit Committee.

Trustees' Annual Report (continued)

Having reviewed the current short-term and long-term financial plans and the cashflow forecast up to end March 2022, the trustees are of a view that the charity is a going concern. Cash forecasting for both the current planned scenario for MIF21 and for the worst-case scenario of further reduced income, show that MIF has sufficient cash reserves to be able to meet all its obligations.

Plans for future periods

Artistic Programme

The organisation is gearing up to plan and deliver:

- The next Festival, the eighth edition in July 2021
- A programme of international touring – presenting co-commissioned premieres from MIF2015, 2017 and 2019 at co-commissioner venues and festivals across the world and continuing to tour other work.
- A growing programme of Community Engagement work focusing on connecting emerging talent and communities with The Factory
- A number of training programmes as part of The Factory Academy working alongside the Greater Manchester Cultural Skills Consortium (GMCSC).

The Factory Opening

The organisation is developing a transition plan that identifies key milestones and a critical path for the next two years to opening The Factory at the end of 2022. Key strands of work include:

- Continuing to develop and raise the profile of the brand, and awareness of MIF/The Factory locally, nationally, and internationally in readiness for opening in 2022.
- Continuing to develop the 5-year strategic and financial plan 2020-2025
- Developing plans and budgets for the fitting out of the Factory
- Continuing to build the capacity and scale of MIF in readiness to open The Factory in 2022. This includes creative and commissioning partnerships, fundraising relationships (with sponsors and individual donors), the development of our audiences and the learning and development of our staff and management.

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 September 2014. 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 (except for 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.

Trustees' Annual Report (continued)

Appointment and retirement of directors

The company may, by ordinary resolution, appoint a person who is willing to be a director. Manchester City Council has appointed two persons as directors to the Board.

A director appointed by Manchester City Council may at any time be removed from office only by notice in writing by the City Council. All other directors are subject to retirement after four years. 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 management financial statements and papers from the previous two Board meetings. Additional training is made available to all new trustees to ensure that they are well supported to be able to carry out their responsibilities.

Organisation

The trustees administer the charity. They meet as a Board quarterly and through various sub-committees - Finance & Audit, HR, Commercial and Nominations - which meet prior to each main Board meeting.

A CEO & 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 (company number 09308388) was incorporated to deliver specific dramatic and music 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 financial risk for the organisation in respect of the Festival include failure to meet in full our income targets (specifically box office, co-commissioning income, sponsorship, and philanthropic donations) and failure to meet expenditure targets especially around larger and more complex artistic projects. To mitigate these risks the organisation operates a contingency policy that provides for box office reductions at c.10% reduction and that provides for a c.10% increase in production budgets. Sponsorship income is regularly reviewed by both management and by the Finance &

Trustees' Annual Report (continued)

Audit Committee and if necessary, budget reductions will be made to accommodate potential shortfalls in income.

The impact of Covid-19 has been such that these ordinary financial risks have increased. MIF has positively responded to the challenge of creating a Festival in 2021 to support both the City of Manchester and the wider Arts and Culture sector during this particularly challenging time. Our forecasts of Festival related income that were made at the start of the budget cycle in October 2019 have by necessity been revised downwards, and the organisation is actively pursuing cost savings in order to both mitigate against these financial impacts and allow the organisation to create further contingency for unexpected and additional costs to deliver a Festival in a Covid-19 safe and responsible way.

Additionally, the impact of Brexit whilst currently unknown to its full extent, may increase the 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.

Other categories of general risk around the Festival include reputational issues; operational issues around the use of found venues including licensing issues and security; and the organisation's capacity to deliver its ongoing activities whilst simultaneously preparing to run The Factory.

As we transition towards the Factory the areas of potential risk broaden to include operational and compliance risk related to the opening of a new large scale venue; financial risk in relation to the areas of new and potentially unplanned for expenditure; risks in relation to potential further delays to the capital project; and contractual risk around the supply of services for the Factory.

The charity regularly reviews risk as a standing item at both the Finance & Audit committee meetings and the main Board meeting. 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 specific risks around each production.

Indemnity

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

Trustees' Annual Report (continued)

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
Charity address	Blackfriars House Parsonage Manchester M3 2JA
Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	The Co-operative Bank P O Box 250, Delf House 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 (resigned 1 October 2019)
Sir Howard Bernstein
Charles Richard Bell
Cathryn Wright
Malcolm Press
Lemn Sissay (resigned 1 October 2019)
Jamil Khalil
Alan Bishop
Amy Lawrence (appointed 22 April 2020)
Maria Balshaw

Trustees' Annual Report (continued)

Ngozi Ugochukwu (appointed 22 April 2020)
Joanne Louise Whitfield (appointed 22 April 2020)
Jeanette Winterson (appointed 22 April 2020)

Company Secretary:

Fiona Gasper (resigned 23 September 2020)
Hannah Cork (appointed 28 September 2020)

Key Management Personnel:

Senior Manager of Manchester International Festival

Chief Executive Officer & Artistic Director - John McGrath
Managing Director - Christine Cort
Creative Director - Mark Ball
Executive Director for Organisational Change - Fiona Gasper
Executive Director – Randel Bryan (from 27 January 2020)
Director of Finance & Resources – Hannah Cork (from 1 June 2020)

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 Second Edition of 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 for the year ended 30 September 2020 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated and charity balance sheets, the consolidated and charity 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 affairs of the group and the parent charitable company as at 30 September 2020 and of the group's and parent charitable company's 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.

Basis for opinion

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.

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's 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 annual report, 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.

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

Matters on which we are required to report by exception

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

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

- adequate 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 financial statements are not in agreement with the accounting records and returns; or

Independent auditor's report (continued)

to the members and trustees 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and 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 the 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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:

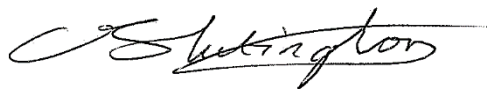
www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Independent auditor's report (continued)

to the members and trustees of Manchester International Festival



Cara Turlington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE
5 March 2021

Saffery Champness 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 2020

		Unrestricted	Restricted	Year Ended 30 Sep 20	Unrestricted	Restricted	Year Ended 30 Sep 19
		£	£	£	£	£	£
	Note						
Income:							
Donations & Legacies	2	2,353,472	9,452,885	11,806,357	2,320,980	9,034,695	11,355,675
Charitable Activities	3	955,920	-	955,920	6,238,012	-	6,238,012
Other Trading Activities	4		-	-	81,047	-	81,047
Investments	5	39,403	-	39,403	28,381	-	28,381
Total income		3,348,795	9,452,885	12,801,680	8,668,420	9,034,695	17,703,115
Expenditure							
Cost of raising funds							
Costs of generating income from Sponsors & Donations	6	224,297	336,446	560,743	507,666	56,407	564,074
Expenditure on charitable activities							
Festival costs	7	1,247,166	1,682,335	2,929,501	9,311,106	2,904,378	12,215,483
Factory Transition costs	7	-	3,152,195	3,152,195	-	4,239,726	4,239,726
Total expenditure		1,471,463	5,170,976	6,642,439	9,818,772	7,200,511	17,019,283
Net income and movement in funds	16	1,877,332	4,281,909	6,159,241	(1,150,352)	1,834,184	683,832
Taxation	20	22,242		22,242			
Net income and movement in funds after tax		1,899,574	4,281,909	6,181,483	(1,150,352)	1,834,184	683,832
Total funds brought forward:							
At 1 October 2019		380,039	3,627,865	4,007,904	1,530,391	1,793,681	3,324,072
Total funds carried forward		2,279,613	7,909,774	10,189,387	380,038	3,627,865	4,007,904

These results derive from continuing activities and all gains and losses recognised in the year are included in the above statement.

The notes on pages 26 to 42 form part of these financial statements.

Charity Statement of Financial Activities

(including income and expenditure account)

for the year ending 30 September 2020

		Unrestricted	Restricted	Year Ended	Unrestricted	Restricted	Year Ended
		£	£	30 Sep 20	£	£	30 Sep 19
	Note						
Income:							
Donations & Legacies	2	2,353,472	9,452,885	11,806,357	2,320,980	9,034,695	11,355,675
Charitable Activities	3	955,920	-	955,920	6,238,012	-	6,238,012
Other Trading Activities	4		-	-	81,047	-	81,047
Investments	5	39,403	-	39,403	28,381	-	28,381
Total income		3,348,795	9,452,885	12,801,680	8,668,420	9,034,695	17,703,115
Expenditure							
Cost of raising funds							
Costs of generating income from Sponsors & Donations	6	224,297	336,446	560,743	507,666	56,407	564,074
Expenditure on charitable activities							
Festival costs	7	1,247,166	1,682,335	2,929,501	9,311,106	2,904,378	12,215,483
Factory Transition costs	7	-	3,152,195	3,152,195	-	4,239,726	4,239,726
Total expenditure		1,471,463	5,170,976	6,642,439	9,818,772	7,200,511	17,019,283
Net income and movement in funds	16	1,877,332	4,281,909	6,159,241	(1,150,352)	1,834,184	683,832
Total funds brought forward:							
At 1 October 2019		380,039	3,627,865	4,007,904	1,530,391	1,793,681	3,324,072
Total funds carried forward		2,257,371	7,909,774	10,167,145	380,039	3,627,865	4,007,904

The notes on pages 26 to 42 form part of these financial statements.

Balance Sheet – Group and Charity

At 30 September 2020

	Note	Group 30 Sep 2020 £	Charity 30 Sep 2020 £	Group 30 Sep 2019 £	Charity 30 Sep 2019 £
Fixed assets					
Tangible assets	12	29,263	29,263	71,757	71,757
Intangible assets	12	34,725	34,725		
Investments	25	5,000,000	5,000,001	-	1
		5,063,988	5,063,989	71,757	71,758
Current assets					
Debtors	13	711,452	689,210	4,239,818	4,239,818
Cash and bank balances		5,369,610	5,369,609	2,197,872	2,197,871
		6,081,062	6,058,819	6,437,690	6,437,689
Creditors:					
Amounts falling due within one year	14	(955,663)	(955,663)	(2,501,544)	(2,501,544)
Net current assets		5,125,399	5,103,156	3,936,146	3,936,145
Net assets		<u>10,189,387</u>	<u>10,167,145</u>	<u>4,007,904</u>	<u>4,007,904</u>
Funds					
Unrestricted Funds - General	16	2,279,613	2,257,371	380,039	380,039
Restricted Funds	16	7,909,774	7,909,774	3,627,865	3,627,865
		<u>10,189,387</u>	<u>10,167,145</u>	<u>4,007,904</u>	<u>4,007,904</u>

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



Richard Paver

Date: 24 February 2021

The notes on pages 26 to 42 form part of these financial statements.

Group and Charity Statements of Cash Flows for year ended 30 September 2020

At 30 September 2020

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Cash inflow from operating activities				
Surplus/(deficit) for the year	6,181,483	6,159,241	683,832	683,832
Adjustment for non-cash items				
Depreciation	68,569	68,569	66,160	66,160
Decrease/(Increase) in debtors	3,528,366	3,550,608	(3,532,842)	(3,532,842)
(Decrease)/Increase in trade and other creditors	(671,637)	(671,637)	337,407	337,407
(Decrease)/Increase in accruals and prepayments	(874,242)	(874,242)	849,762	849,762
Net cash flow from operating activities	8,232,539	8,232,538	(1,595,682)	(1,595,681)
Cash flow from investing activities				
Investment	(5,000,000)	(5,000,000)	-	-
Payments made to acquire fixed assets	(60,800)	(60,800)	(90,066)	(90,066)
	(5,060,800)	(5,060,800)	(90,066)	(90,066)
Cash flows from financing activities	-	-	-	-
Increase/(decrease) in cash and cash equivalent in the year	3,171,738	3,171,738	(1,685,748)	(1,685,748)
Cash and cash equivalents at beginning of the year	2,197,872	2,197,871	3,883,620	3,883,619
Cash and cash equivalents at end of the year	5,369,610	5,369,609	2,197,872	2,197,871
Net debt reconciliation - Group	At start of year £	Cashflows £	At end of year £	
Cash	2,101,925	2,679,540	4,781,465	
Cash equivalents (foreign currencies)	95,947	492,198	588,145	
TOTAL	2,197,872	3,171,738	5,369,610	
Net debt reconciliation - Charity	At start of year £	Cashflows £	At end of year £	
Cash	2,101,924	2,679,540	4,781,464	
Cash equivalents (foreign currencies)	95,947	492,198	588,145	
TOTAL	2,197,871	3,171,738	5,369,609	

Notes to the financial statements

at 30 September 2020

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) 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.

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

The financial statements have been prepared under the historic cost convention.

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.

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

Notes to the financial statements (continued)

at 30 September 2020

from the use by the charity of the item is probable and that economic benefit can be 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.

All significant producing costs expended in respect of the shows presented in future years are included in the prepayments in the Balance Sheet.

Tangible Assets

Tangible fixed assets over £1,000 are capitalised. They are depreciated evenly over their expected useful lives. Depreciation is calculated at the following rates:

Equipment	– 50% straight line per annum
Fixtures and fittings	– 33 1/3%-50% straight line per annum
Intangible Assets	- 20% straight line per annum

Intangible Assets

Intangible assets include software and intellectual property that the company believes will provide ongoing economic benefit. Intangible assets are capitalised when it is expected that the project cost will be in excess of £5,000 and the period of benefit is at least 2 years. Amortisation is charged from the point an asset is brought into use and the amortisation period between 2 and 5 years dependent on the type of asset.

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.

Notes to the financial statements (continued)

at 30 September 2020

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.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. 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.

Financial instruments

The Charity has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Other than where specifically stated all of the charity's financial instruments are classed as basic financial instruments. Financial assets are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

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

Basic financial liabilities

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

Critical estimates and judgements

The preparation of the financial statements in accordance with FRS 102 requires the trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation and doubtful debt provision. The accounting in these areas of the accounts requires management to use judgement. In relation to accruals this is a best estimate of costs that will be incurred based on contractual requirements. Provision for doubtful debts is based on the age of debts and probability of their recovery. For depreciation and amortisation, the estimates are driven by the useful economic life of the associated assets.

Notes to the financial statements (continued)

at 30 September 2020

2 Grants & Donations

	Unrestricted £	Restricted £	30-Sep-20 £	30-Sep-19 £
Manchester City Council	1,000,000		1,000,000	1,500,000
Arts Council England	1,099,614	9,165,600	10,265,214	9,259,204
Arts Council England project grants		180,000	180,000	-
Greater Manchester Combined Authority	90,000		90,000	90,000
Innovate UK		4,460	4,460	202,694
The Esmee Fairbairn Foundation			-	85,574
The Paul Hamlyn Foundation		102,825	102,825	36,589
The Bloxham Charitable Trust				25,000
Covid-19 Job Retention Scheme grant	151,474		151,474	-
Other grants	2,000		2,000	38,838
Individual Donations	10,384		10,384	117,776
	<u>2,353,472</u>	<u>9,452,885</u>	<u>11,806,357</u>	<u>11,355,676</u>

The amount received from Government grants was £11,691,148 (2019: £11,051,898).

Grants and Donations - prior year

	Unrestricted £	Restricted £	30-Sep-19 £	30-Sep-18 £
Manchester City Council	1,500,000		1,500,000	1,000,000
Manchester City Council - project grant			0	29,685
Arts Council England	588,204	8,671,000	9,259,204	4,396,499
Arts Council England project grants			-	56,793
Association of Greater Manchester Authorities	90,000		90,000	55,000
Innovate UK		202,694	202,694	-
The Esmee Fairbairn Foundation		85,574	85,574	82,483
Jerwood Charitable Foundation		36,589	36,589	-
The Bloxham Charitable Trust	25,000		25,000	-
Other Trusts & Foundations		38,838	38,838	6,000
Individual Donations	117,776		117,776	35,313
	<u>2,320,980</u>	<u>9,034,695</u>	<u>11,355,675</u>	<u>5,661,773</u>

Notes to the financial statements (continued)

at 30 September 2020

3 Income from Charitable Activities

	Unrestricted 30-Sep-20 £	Unrestricted 30-Sep-19 £
Support from Sponsors	486,215	1,622,193
Contractual income from Local Authorities	-	40,000
Box Office (Admission charges)	-	1,157,832
Income from co-production & co-commissioning activities	202,203	2,457,129
Income from touring activities	246,757	696,028
Membership, Sale of Programmes and Ancillary activities	20,745	264,830
	<u>955,920</u>	<u>6,238,012</u>

4 Income from Other trading activities

	30-Sep-20 £	30-Sep-19 £
Food & drink, merchandise & miscellaneous	<u>-</u>	<u>81,047</u>

5 Investments

	30-Sep-20 £	30-Sep-19 £
Interest receivable	<u>39,403</u>	<u>28,381</u>

6 Cost of Raising funds

	30-Sep-20 £	30-Sep-19 £
Wages and salaries	385,459	415,603
Direct costs	120,243	85,923
Support costs (Note 8)	55,040	62,548
	<u>560,743</u>	<u>564,074</u>

Notes to the financial statements (continued)

at 30 September 2020

Festival activities

	Other Direct Costs £	Wages and Salaries £	30-Sep-20 £
General Festival Costs	17,868	232,839	250,707
R&D	174,715	63,338	238,053
Festival Producing Costs (including touring)	635,835	626,462	1,262,297
Creative Engagement	118,303	188,518	306,821
Volunteers	3,649	-	3,649
Branding, Communications & Marketing	120,416	285,765	406,181
Governance	16,391	38,561	54,952
Support costs (note 8)	406,841	-	406,841
	<u>1,494,018</u>	<u>1,435,483</u>	<u>2,929,501</u>

Festival activities - prior year

	Other Direct Costs £	Wages and Salaries £	30-Sep-19 £
General Festival Costs	722,550	356,051	1,078,601
R&D	254,482	49,623	304,104
Festival Producing Costs (including	7,041,119	1,409,627	8,450,746
Creative Engagement	171,306	152,986	324,292
Volunteers	31,166	40,359	71,525
Branding, Communications & Marketing	1,009,639	463,010	1,472,649
Governance	8,935	29,610	38,545
Support costs (note 8)	475,022	-	475,022
	<u>9,714,219</u>	<u>2,501,265</u>	<u>12,215,484</u>

The Factory Transition activities

	Other Direct Costs £	Wages and Salaries £	30-Sep-20 £
General Factory Transition Costs	336,936	386,820	723,756
R&D	122,448	116,042	238,490
Factory Producing	277,432	900,768	1,178,200
Creative Engagement	55,178	68,914	124,092
Skills & Training	20,891	95,455	116,346
Branding, Communications & Marketing	128,884	259,714	388,598
Governance	24,587	63,219	87,806
Support costs (note 8)	294,907	-	294,907
	<u>1,261,263</u>	<u>1,890,932</u>	<u>3,152,195</u>

Notes to the financial statements (continued)

at 30 September 2020

The Factory Transition activities - prior year

	Other Direct Costs	Wages and Salaries	30-Sep-19
	£	£	£
<i>General Factory Transition Costs</i>	73,759	333,770	407,530
<i>R&D</i>	131,667	146,932	278,600
<i>Factory Producing</i>	1,611,249	337,001	1,948,252
<i>Creative Engagement</i>	171,306	64,991	236,298
<i>Skills & Training</i>	16,629	87,899	104,529
<i>Branding, Communications & Marketing</i>	866,874	134,215	1,001,090
<i>Governance</i>	7,311	24,226	31,537
<i>Support costs (note 8)</i>	231,893	-	231,893
	3,110,689	1,129,037	4,239,726

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.

	Generating Income	Charitable Activities		30-Sep-20
	£	Festival	The Factory Transition	£
		£	£	
Professional fees and charges	-	6,292	25,170	31,462
Other staff costs	11,436	138,925	138,925	289,286
Depreciation	6,857	41,140	20,570	68,567
Running expenses	14,120	84,720	42,360	141,200
Premises costs	22,627	135,764	67,882	226,273
	55,040	406,841	294,907	756,789

Where relevant, Professional fees and charges and Other staff costs are directly attributed to activities in respect of which they were incurred. Otherwise they are apportioned to activities according to estimated usage. Depreciation, Running expenses and Premises costs are apportioned to activities according to estimated usage.

Notes to the financial statements (continued)

at 30 September 2020

Support costs - prior year

	Generating Income £	Charitable Activities Festival £	Factory Transition £	30-Sep-19 £
Professional fees and charges	5,378	19,754	16,134	41,265
Other staff costs	9,000	166,247	71,249	246,495
Depreciation	6,616	39,696	19,848	66,160
Running expenses	19,769	118,613	59,306	197,688
Premises costs	21,785	130,712	65,356	217,854
	<u>62,548</u>	<u>475,022</u>	<u>231,893</u>	<u>769,462</u>

9 Movement in total funds for the period

Net movements in funds are stated after charging:

	30-Sep-20 £	30-Sep-19 £
Auditors' remuneration:		
Audit services	9,800	13,000
Non-audit services	-	-
Operating lease rentals	220,924	215,526
Depreciation	68,567	66,160
Foreign exchange gain	<u>(6,612)</u>	<u>(2,174)</u>

10 Analysis of staff costs

	30-Sep-20 £	30-Sep-19 £
Wages and salaries	3,231,057	3,554,549
Social security costs	348,662	367,251
Pension costs	132,155	124,103
	<u>3,711,874</u>	<u>4,045,903</u>

Number of employees:

The average monthly head count was 81.

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

Notes to the financial statements (continued)

at 30 September 2020

	30-Sep-20 No.	30-Sep-19 No.
Festival & The Factory	67	89
Fundraising	7	8
Governance	1	1
	<u>76</u>	<u>99</u>

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

	30-Sep-20 No.	30-Sep-19 No.
£ 60,001 - £ 70,000	-	2
£ 70,001 - £ 80,000	4	1
£ 80,001 - £ 90,000	-	1
£ 90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£110,001 - £120,000	2	1
£120,001 - £130,000	-	2
£130,001 - £140,000	1	
	<u>9</u>	<u>9</u>
Total pension paid for in respect of the higher paid employees was	39,472	40,136

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. Two (2019: Eight) board members received re-imbursed travel expenses of £405 (2019: £2,526).

The key management of the parent charity, Manchester International Festival, comprise the trustees, Chief Executive Officer/Artistic Director, Executive Director, Creative Director, Chief Operating Officer (post ceased 31 December 2019), Director for Organisational Change, Managing Director and Director of Finance & Resources. The total employee benefits of the key management personnel were £644,110 (2019: £592,192).

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 2020

12 Tangible Fixed Assets - Group and Charity

	Equipment £	Fixtures & Fittings £	Total £
Cost:			
At 1 October 2019	299,380	23,678	323,058
Additions	26,075	-	26,075
Disposals			-
At 30 September 2020	325,455	23,678	349,133
Depreciation:			
At 1 October 2019	231,542	19,759	251,301
Disposals			
Charge for the year	66,355	2,214	68,569
At 30 September 2020	297,897	21,973	319,870
Net book value:			
At 30 September 2020	27,558	1,705	29,263
At 30 September 2019	67,838	3,919	71,757

Intangible Assets - Group and Charity

	Intangible Assets £
Cost:	
At 1 October 2019	-
Additions	34,725
Disposals	-
At 30 September 2020	34,725
Depreciation:	
At 1 October 2019	-
Disposals	
Charge for the year	-
At 30 September 2020	-
Net book value:	
At 30 September 2020	34,725
At 30 September 2019	-

Notes to the financial statements (continued)

at 30 September 2020

13. Debtors

	Group 30-Sep-20 £	Charity 30-Sep-20 £	Group 30-Sep-19 £	Charity 30-Sep-19 £
Trade debtors	426,981	404,739	2,962,448	2,962,447
Other debtors	2,627	2,627	2,821	2,821
Prepayments	191,843	191,843	224,139	224,139
Accrued Income	35,883	35,883	353,204	353,204
VAT	54,118	54,118	697,207	697,207
	<u>711,452</u>	<u>689,210</u>	<u>4,239,818</u>	<u>4,239,818</u>

14 Creditors: amounts falling due within one year

	Group 30-Sep-20 £	Charity 30-Sep-20 £	Group 30-Sep-19 £	Charity 30-Sep-19 £
Trade creditors	209,491	209,491	883,577	883,577
Other creditors	25,211	25,211	22,763	22,763
Accruals	201,108	201,108	894,092	894,092
Deferred income	519,853	519,853	701,111	701,111
	<u>955,663</u>	<u>955,663</u>	<u>2,501,543</u>	<u>2,501,543</u>

15 Deferred income - Group and Charity

Deferred income:

	Group £	Charity £
At 1 October 2019	701,111	701,111
Amount released in the year	(476,258)	(476,258)
Amount deferred in the period	295,000	295,000
At 30 September 2020	<u>519,853</u>	<u>519,853</u>

Deferred income - prior year:

	Group £	Charity £
At 1 October 2018	453,459	453,459
Amount released in the year	(331,190)	(331,190)
Amount deferred in the period	578,842	578,842
At 30 September 2019	<u>701,111</u>	<u>701,111</u>

Notes to the financial statements (continued)

at 30 September 2020

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

	Movement in Funds			
	Balance at 01-Oct-19 £	Net incoming resources £	Net outgoing resources £	Balance at 30-Sep-20 £
Analysis of unrestricted funds movements:				
General Funds	380,039	3,371,037	(1,471,463)	2,279,613
Analysis of restricted funds movements:				
Restricted Funds	3,627,865	9,452,885	(5,170,976)	7,909,774
	<u>4,007,904</u>	<u>12,823,921</u>	<u>(6,642,439)</u>	<u>10,189,387</u>

Analysis of charitable funds - Group - prior year

	Balance at 01-Oct-18 £	Net incoming resources £	Net outgoing resources £	Balance at 30-Sep-19 £
Analysis of unrestricted funds movements:				
General Funds	1,530,391	8,668,420	(9,818,772)	380,039
Analysis of restricted funds movements:				
Restricted Funds	1,793,681	9,034,695	(7,200,511)	3,627,865
	<u>3,324,072</u>	<u>17,703,115</u>	<u>(17,019,283)</u>	<u>4,007,904</u>

Analysis of charitable funds - Charity

	Movement in Funds			
	Balance at 01-Oct-19 £	Net incoming resources £	Net outgoing resources £	Balance at 30-Sep-20 £
Analysis of unrestricted funds movements:				
General Funds	380,039	3,348,795	(1,471,463)	2,257,371
Analysis of restricted funds movements:				
Restricteds Fund	3,627,865	9,452,885	(5,170,976)	7,909,774
	<u>4,007,904</u>	<u>12,801,680</u>	<u>(6,642,439)</u>	<u>10,167,145</u>

Notes to the financial statements (continued)

at 30 September 2020

Analysis of charitable funds - Charity - prior year

	Balance at 01-Oct-18 £	Net incoming resources £	Net outgoing resources £	Balance at 30-Sep-19 £
Analysis of unrestricted funds movements:				
General Funds	1,530,391	8,668,420	(9,818,772)	380,039
Analysis of restricted funds movements:				
Restricted Funds	1,793,681	9,034,695	(7,200,511)	3,627,865
	<u>3,324,072</u>	<u>17,703,115</u>	<u>(17,019,283)</u>	<u>4,007,904</u>

17 Outline summary of restricted fund movements - Group and Charity

Fund Name	Fund Balances Brought Forward 01-Oct-19 £	Income £	Expenditure £	Fund Balances Carried Forward 30-Sep-20 £
Arts Council - Under the Radar	-	180,000	89,000	91,000
Arts Council - The Factory grant	3,618,547	9,165,600	5,011,930	7,772,217
Innovate UK	-	4,460	4,460	-
Esmee Fairbairn Foundation	9,318	-	9,318	-
The Paul Hamlyn Foundation		102,825	56,268	46,557
	<u>3,627,865</u>	<u>9,452,885</u>	<u>5,170,976</u>	<u>7,909,774</u>

Name of restricted fund

Description, nature and purpose of the fund

Arts Council - Under the Radar	Showcasing the UK artists at the Under the Radar festival in New York
Arts Council - The Factory grant	NPO Funding for delivery of MIF/The Factory Business Plan, including the MIF21 Festival activities.
Innovate UK	Delivery of the programme of work in respect of Audiences of Future project that focuses on immersive performances of the future.
The Esmee Fairbairn Foundation	Delivery of the remaining activities of My Festival programme of work.
The Paul Hamlyn Foundation	Delivering localised community curation (including Talking Points, Festival in My House, The Factory Floor)

Notes to the financial statements (continued)

at 30 September 2020

Outline summary of restricted fund movements - Group and Charity - prior year

Fund Name	Fund Balances			Fund Balances
	Brought Forward 01-Oct-18	Income	Expenditure	Carried Forward 30-Sep-19
	£	£	£	£
Arts Council - Ambition for Excellence	21,213	-	21,213	-
Arts Council - The Factory grant	1,676,561	8,671,000	6,729,014	3,618,547
Innovate UK	-	202,694	202,694	-
Esmee Fairbairn Foundation	31,413	85,574	107,669	9,318
Paul Hamlyn Foundation	64,494	-	64,494	-
Jerwood Charitable Foundation	-	36,589	36,589	-
Other Restricted Funds	-	38,838	38,838	-
	<u>1,793,681</u>	<u>9,034,695</u>	<u>7,200,511</u>	<u>3,627,865</u>

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.
Innovate UK	Delivery of the programme of work in respect of Audiences of Future project that focuses on immersive performances of the future.
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.
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

30-Sep-20	General Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	23,586	5,040,402	5,063,988
Current assets	2,896,946	3,184,116	6,081,062
Current liabilities	(640,919)	(314,744)	(955,663)
	<u>2,279,613</u>	<u>7,909,774</u>	<u>10,189,387</u>

Notes to the financial statements (continued)

at 30 September 2020

Analysis of net assets between funds - Charity

30-Sep-20	General Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	5,023,586	40,402	5,063,988
Current assets	2,874,702	3,184,116	6,058,819
Current liabilities	(640,918)	(314,744)	(955,662)
	<u>7,257,371</u>	<u>2,909,774</u>	<u>10,167,145</u>

Analysis of net assets between funds - Group and Charity - prior year

30-Sep-19	General Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	50,231	21,526	71,757
Current assets	2,583,507	3,854,183	6,437,690
Current liabilities	(1,696,984)	(804,560)	(2,501,544)
	<u>936,754</u>	<u>3,071,149</u>	<u>4,007,904</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.

20 Taxation

The company is a registered charity and no provision for taxation is considered necessary. The Group benefits from a tax refund of £22,242 (2019: NIL), in respect of the losses MIF Productions incurred during the year in the course of delivering specific productions for MIF.

Notes to the financial statements (continued)

at 30 September 2020

21 Operating lease commitments

	Land & Buildings 30 Sep 20 £	Office Equipment 30 Sep 20 £	Land & Buildings 30 Sep 19 £	Office Equipment 30 Sep 19 £
Total of non-cancellable operating leases payments for the following periods:				
not later than one year	246,891	36,972	205,350	1,206
later than one year and not later than 5 years	323,780	68,288	33,325	-
later than 5 years	-	-	-	-
	<u>570,671</u>	<u>105,260</u>	<u>238,675</u>	<u>1,206</u>

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 £132,217 (£124,104 for the year ended 30 Sep 2019). Pension contributions of £25,274 were still due to Scottish Widows at 30 September 2020 (2019: £22,136).

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 £207,970) 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.

MIF received a co-commissioning contribution of £50,000 from The Co-operative Bank for the production of *Together In One Voice*, delivered jointly with Manchester City Council.

Notes to the financial statements (continued)

at 30 September 2020

One of the Board members holds shares in Sedulo Accountants Ltd, which MIF contracted for a provision of financial expertise at a value of £40,050.

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 £57,935 (2019: 765,700) due to MIF from MIF Productions, which is included within trade debtors. This is resulting from the intercompanies transactions related to the delivery of production, presentation and closure of the festival shows eligible for theatre and orchestra tax relief.

24 Derivatives

The charity purchases forward foreign currency contracts to hedge currency exposure on firm future commitments in respect of foreign suppliers. It also has receivables in foreign currencies which are held by a third party. No derivatives (2019: NIL) were still held at the balance sheet date. At the balance sheet date, the charity had £588,145 (2019: £95,947) in foreign currencies.

25 Investments

MIF invested £1 in its subsidiary, MIF Productions (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 2019/20 was £372,937 (2019: £4,859,699), as the company was contracted by Manchester International Festival to deliver production, presentation and closure of the shows eligible for theatre and orchestra tax relief. The loss on ordinary activities before tax for the year was £65,435. The company made profit after tax of £14,742. At the balance sheet date, net assets were £14,743 (2019: £1).

Manchester International Festival held £5,000,000 invested in five two-year deposit accounts, £1 million each.