

Manchester International Festival

Trustees Report and Financial Statements

31st March 2022

Trustees' Annual Report and Financial Statements

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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.

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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

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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.

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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,

Trustees' Annual Report

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.

Trustees' Annual Report

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

Trustees' Annual Report

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.

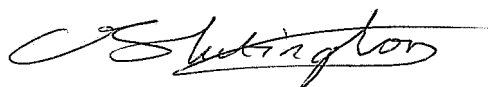
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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	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	6,141,720	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	1,257,670	1,243,601	8,232,539	8,232,538
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)
	(536,206)	(536,206)	(5,060,800)	(5,060,800)
Cash flows from financing activities				
	-	-	-	-
Increase/(decrease) in cash and cash equivalent in the year	721,463	707,395	3,171,738	3,171,738
Cash and cash equivalents at beginning of the year	5,369,610	5,369,609	2,197,872	2,197,871
Cash and cash equivalents at end of the year	6,091,073	6,077,004	5,369,610	5,369,609

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	5,369,610	721,463	6,091,073

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	5,369,609	707,395	6,077,004

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 £
<i>General Factory Transition Costs</i>	336,936	386,820	723,756
<i>R&D</i>	122,448	116,042	238,490
<i>Factory Producing</i>	277,432	900,768	1,178,200
<i>Creative Engagement</i>	55,178	68,914	124,092
<i>Skills & Training</i>	20,891	95,455	116,346
<i>Branding, Communications & Marketing</i>	128,884	259,714	388,598
<i>Governance</i>	24,587	63,219	87,806
<i>Support costs (note 8)</i>	294,907	-	294,907
	1,261,263	1,890,932	3,152,195

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
	102,913	742,658	864,677	1,710,248	756,789

Support costs - prior year

	Generating Income £	Charitable Activities		30-Sep-20 £
		Festival £	The Factory Transition £	
<i>Professional fees and charges</i>	-	6,292	25,170	31,462
<i>Other staff costs</i>	11,436	138,925	138,925	289,286
<i>Depreciation</i>	6,857	41,140	20,570	68,567
<i>Running expenses</i>	14,120	84,720	42,360	141,200
<i>Premises costs</i>	22,627	135,764	67,882	226,273
	55,040	406,841	294,907	756,789

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
	<u>10,189,387</u>	<u>20,329,397</u>	<u>(18,843,747)</u>	<u>11,675,037</u>

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 £
<i>Analysis of unrestricted funds movements:</i>				
General Funds	380,039	3,371,037	(1,471,463)	2,279,613
<i>Analysis of restricted funds movements:</i>				
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 £
<i>Analysis of unrestricted funds movements:</i>				
General Funds	2,257,371	5,944,936	(6,369,168)	1,833,139
<i>Analysis of restricted funds movements:</i>				
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 £
<i>Analysis of unrestricted funds movements:</i>				
General Funds	380,039	3,348,795	(1,471,463)	2,257,371
<i>Analysis of restricted funds movements:</i>				
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 Arts Council - The Factory grant	Showcasing the UK artists at the Under the Radar festival in New York 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 Esmée 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 31-Mar 22 £	Office Equipment 31 Mar 22 £	Land & Buildings 30 Sep 20 £	Office Equipment 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.