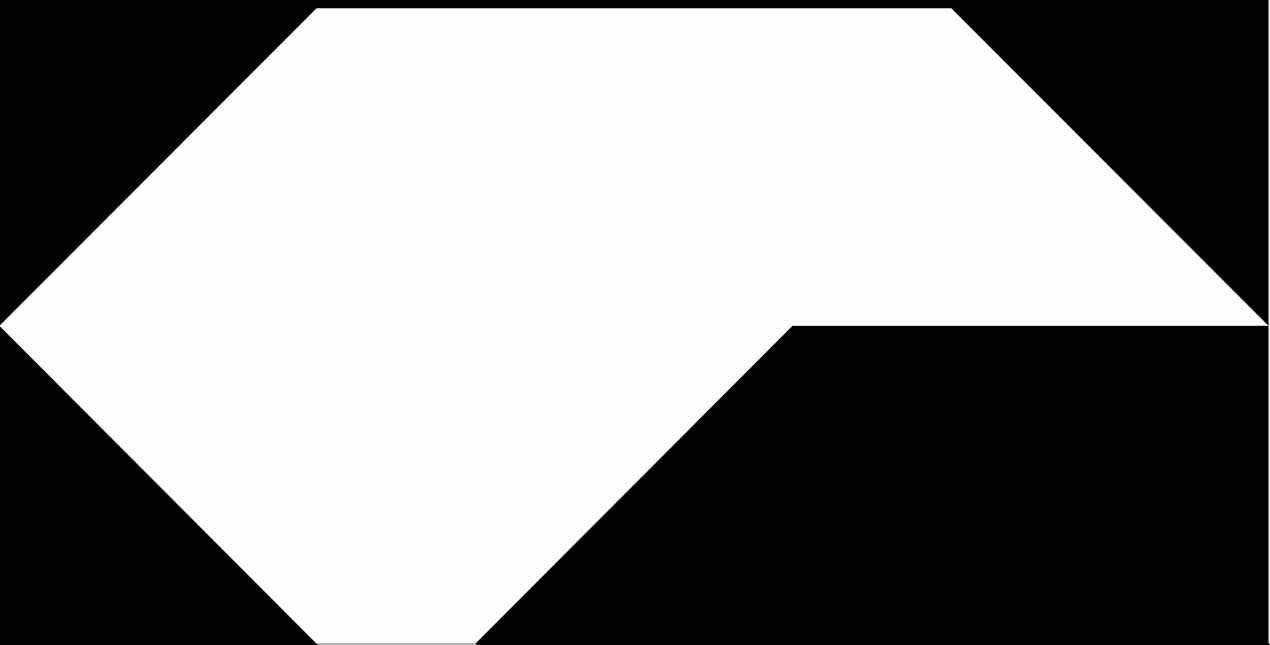


factory  
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# TRUSTEE REPORT AND FINANCIAL STATEMENTS



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# TRUSTEES' ANNUAL REPORT

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

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

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

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

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

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

# OUR VISION AND MISSION STATEMENT

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

**To Invent Tomorrow Together.**

Our vision speaks directly to our mission:

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

## OUR VALUES

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

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

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

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

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

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



# ACTIVITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# STRATEGIC AIMS

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

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

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

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

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

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

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

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

The Trustees confirm that they have complied with their duty as set out in Chapter 4 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission in respect of public benefit matters when planning the activities of the charity.

# WHAT WE DID: ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

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

## ARTISTIC PROGRAMME

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

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

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

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

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

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

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

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

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

## AVIVA STUDIOS – CAPITAL BUILD & TRANSITION

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

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

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

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

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

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

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

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

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

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

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

## BROADCASTING

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

## DIGITAL INNOVATION AND R&D

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

## INTERNATIONAL

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

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

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

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

## PUBLIC ENGAGEMENT

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

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

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

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

## FACTORY ACADEMY

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

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

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

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

What our students say:

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



## OTHER ACTIVITIES AND ACHIEVEMENTS

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

### PHILANTHROPY

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

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

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

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

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

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

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

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

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

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

## BRAND PARTNERSHIPS AND CORPORATE SPONSORSHIP

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

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

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

## BUSINESS PLANNING

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

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

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

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

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

## REVIEW & RESET PROJECT

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

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

## CHANGE TO GOVERNANCE AND MANAGEMENT

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

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

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

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

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

## MANAGEMENT AND STAFFING

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

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

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

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

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

## PLANS FOR FUTURE PERIODS

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

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

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

# FINANCIAL REVIEW

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

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

## GRANTS AND DONATIONS

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

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

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

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

## INCOME FROM CHARITABLE ACTIVITIES

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

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

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

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

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

## COST OF RAISING FUNDS

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

## EXPENDITURE ON CHARITABLE ACTIVITIES

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

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

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

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

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

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

## TAXATION

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

## INVESTMENT POWERS AND POLICY

Under the company's Memorandum and Articles of Association the charity has the power to invest in any way deemed appropriate. Factory International endeavours to make best use of available funds by investing these funds in interest bearing deposit accounts, which in the 12 months to March 2024 generated interest of £61k.

## RESERVES POLICY

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

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

The current reserves position is as follows

#### **Restricted Funds:**

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

#### **Unrestricted Funds:**

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

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

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

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

## GOING CONCERN

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

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

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

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



# STRUCTURE, GOVERNANCE AND MANAGEMENT

## GOVERNING DOCUMENT

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

## DIRECTORS AND TRUSTEES

Factory International is governed by a diverse Board of leaders from business, arts, local government and communities. The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

All Directors on the Board are members (except for the Directors appointed by Manchester City Council). A Director must be a person aged 18 years or older who is not disqualified from acting as a Director or charity Trustee by law.

## APPOINTMENT AND RETIREMENT OF DIRECTORS

The Board may, by ordinary resolution, appoint a person who is willing to be a Director. The Schedule of Delegation requires that all new appointments go through a process with the Nominations Committee who then makes a recommendation to the Board on the suitability of persons to appoint.

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

All other Directors are subject to retirement after four years. A director may be re-appointed for a second term of office, but at the end of the second term of office, may only be appointed for subsequent terms if 75% of the Board agree.

## TRUSTEE INDUCTION AND TRAINING

All new Trustees receive a Board induction pack including the charity's governing document, details of the responsibilities of charity Trustees, the next annual budget, the most recent management financial statements and papers from the previous two Board meetings. Additional training is made available to all new Trustees to ensure that they are well supported to be able to carry out their responsibilities.

## ORGANISATION

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

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

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

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

A CEO & Artistic Director is appointed to administer the day-to-day operations of Factory International. To assist in the effective running of the charity, operational matters including finance, production, and marketing, are delegated to the CEO and Artistic Director with the approval of the Trustees.

## SUBSIDIARIES

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

Membership of Factory Academy Limited is as follows:

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

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

Membership of MIF Productions Limited is as follows:

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

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

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

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

## RELATED PARTIES

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

# RISK MANAGEMENT

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

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

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

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

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

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

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

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

## REFERENCE AND ADMINISTRATIVE DETAILS

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

## DIRECTORS AND TRUSTEES OF MANCHESTER INTERNATIONAL FESTIVAL

Moira Sinclair OBE (Chair) (appointed March 2024)

Tom Bloxham (Chair) (to February 2024)

Pat Bartoli

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

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

Richard Paver (to July 2024)

Sir Howard Bernstein (to June 2024)

Richard Bell

Cathryn Wright

Jamil Khalil

Alan Bishop

Maria Balshaw CBE

Jo Whitfield CBE

Ngozi Ugochukwu

Fazeel Barber

Lamia Dabboussy

Laura Jordan-Bambach

Grace Ladoja MBE

Ibrahim Mahama

Shaminder Nahal

Gary Neville

Sharon Watson

## COMPANY SECRETARY

Sheena Wrigley (appointed July 2024)

Hannah Cork (until March 2024)

## KEY MANAGEMENT PERSONNEL

Chief Executive Officer & Artistic Director - John McGrath

Executive Director – Sheena Wrigley

Creative Director – Kee Hong Low

Chief Financial Officer – Karen Bass

Executive Commercial Director – Scott McVittie (appointed October 2024)

## TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in The Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees confirm that:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board of Trustees

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

Cathryn Wright

19/12/2024

# INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF MANCHESTER INTERNATIONAL FESTIVAL

## OPINION

We have audited the financial statements of Manchester International Festival (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

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

## CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

## OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

## OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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



## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities set out on page 25, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Our objectives are to obtain reasonable assurance about whether the group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## IDENTIFYING AND ASSESSING RISKS RELATED TO IRREGULARITIES

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

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

## AUDIT RESPONSE TO RISKS IDENTIFIED

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

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

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

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

## USE OF OUR REPORT

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



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

Chartered Accountants  
Statutory Auditors

71 Queen Victoria Street  
London  
EC4V 4BE

20 December 2024

.....  
Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# GROUP STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account) for the year ending 31 March 2024

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

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

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

# GROUP & CHARITY BALANCE SHEETS

As at 31 March 2024

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

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

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

*Cathryn Wright*

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

Date: **19/12/2024**

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

Company number

05292793

# GROUP STATEMENT OF CASH FLOWS

For the 12 months ended 31 March 2024

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

# NOTES TO THE FINANCIAL STATEMENTS

## ACCOUNTING POLICIES

### CHARITY INFORMATION

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

### ACCOUNTING CONVENTION

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

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

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

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

### REPORTING PERIOD

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

### PREPARATION OF THE ACCOUNTS ON A GOING CONCERN BASIS

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

### GROUP FINANCIAL STATEMENTS

These financial statements consolidate the results of the charity Manchester International Festival (MIF) and its wholly owned subsidiaries, MIF Productions Limited, Factory Academy Limited and Factory International Trading Services Limited, on a line by line basis.

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

## FUNDS

Unrestricted funds comprise accumulated surpluses and deficits on general funds and are available for use at the discretion of the Board in furtherance of the general charitable objectives. Restricted funds are funds subject to specific restricted conditions imposed by the donors.

## INCOME RECOGNITION POLICY

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

The charity or its subsidiary have entitlement to the funds;

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

## DONATED SERVICES AND FACILITIES

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

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

## EXPENDITURE

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

Costs of generating funds comprises the costs associated with attracting voluntary income and the costs of the expenditure for raising sponsorship income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories on the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

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



## TANGIBLE ASSETS

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

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

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

## INTANGIBLE ASSETS

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

## PENSION COSTS AND RETIREMENT BENEFITS

The charity operates a defined contribution scheme. The assets of this scheme are held separately from those of the charity, being invested by insurance companies. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

## LEASING COMMITMENTS

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

## TAXATION

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

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

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

## FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences are recognised in the Statement of Financial Activities.

## FINANCIAL INSTRUMENTS

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

## BASIC FINANCIAL ASSETS

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

## IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

## DERECOGNITION OF FINANCIAL ASSETS

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

## CLASSIFICATION OF FINANCIAL LIABILITIES

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

## BASIC FINANCIAL LIABILITIES

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

## DERECOGNITION OF FINANCIAL LIABILITIES

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

## CRITICAL ESTIMATES AND JUDGEMENTS

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

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

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

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

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

<b>5 Investments</b>	<b>Unrestricted 2024 £</b>	<b>Unrestricted 2023 £</b>
Interest receivable	61,388	125,089

## 6 Cost of Raising funds

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

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

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

## 7 Expenditure on Charitable activities

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

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

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

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

## 8 Support costs

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

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

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

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

**9 Movement in total funds for the period**

Net movements in funds are stated after charging:

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

**10 Analysis of staff costs**

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

Number of employees:

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

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

	2024 No.	2023 No.
The number of staff who had total earnings of more than £60,000 in the following ranges were:		
£ 60,001 - £ 70,000	5	5
£ 70,001 - £ 80,000	3	3
£ 80,001 - £ 90,000	-	1
£ 90,001 - £100,000	3	2
£100,001 - £110,000	-	1
£110,001 - £120,000	2	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	1	1
	<u>14</u>	<u>14</u>

	2024 £	2023 £
Total pension paid for during the reporting period, in respect of the higher paid employees, was:	54,646	56,742

## 11 Board's remuneration and expenses, and the costs of key management personnel.

None of the board members received remuneration for their services during the year. Seven (2023: Five) board members received re-imbursed travel expenses of £2,741 (2023: £1,478).

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

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

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

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

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



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

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

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

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

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

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

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

**Deferred income - prior year:**

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

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

**15 Provision for liabilities**

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

# Movement in Funds

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

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

## 17 Outline summary of restricted fund movements

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

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

### Outline summary of restricted fund movements - prior year

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

**Analysis of net assets between funds - Group**

**31-Mar-24**

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

**Analysis of net assets between funds - Group**

**31-Mar-23**

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

**Analysis of net assets between funds - Charity**

**31-Mar-24**

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

**Analysis of net assets between funds - Charity**

**31-Mar-23**

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

## 18 Share Capital

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

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

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

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

## 19 Taxation

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

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

Given this, no tax charge arises on the charity.

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

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

## 21 Pension arrangements

MIF participated in a scheme provided by Scottish Widows. Due to the nature of the Plan, the accounting charge for the period under FRS102 represents the employer contributions payable.

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

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

## 22 Related parties

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

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

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

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

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

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

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

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

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

This is relating to intercompany transactions related to general expenditure.

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

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

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

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

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

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

## 23 Derivatives

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

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

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

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

## 24 Investments

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

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

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

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

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

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

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

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

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

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

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

## 25 Commitments

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



