

Charity registration number: 1167125

Manchester Collective

Annual Report and Financial Statements

for the Year Ended 31 March 2022

The Moffatts Partnership LLP
Progress House
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Manchester Collective

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Manchester Collective

Reference and Administrative Details

Chairman	H Gilman
Chief Executive Officer	A Szabo
Trustees	H Gilman B McKnight R Gibson N Trygstad H Wallace P Ramchurn
Other Officers	R Singh, Music Director D Kennedy, General Manager L Begbie, Deputy Director
Charity Registration Number	1167125
Principal Office	The Sharp Project Thorp Road Manchester M40 5BJ
Independent Examiner	The Moffatts Partnership LLP Progress House 396 Wilmslow Road Withington Manchester M20 3BN
Accountants	The Moffatts Partnership LLP Progress House 396 Wilmslow Road Withington Manchester M20 3BN

Manchester Collective

Trustees' Report

The trustees are pleased to present their annual report for the sixth year of the operations of the CIO (Manchester Collective). This report concerns the financial year ended 31 March 2022.

The financial statements comply with the Charities Act 2011, the Constitution of the CIO (Manchester Collective), and Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Nature of governing document

Manchester Collective is a Charitable Incorporated Organisation, and is governed by its Constitution, dated April 15, 2016. It is registered as a charity with the Charity Commission. Applications for membership must be approved by the trustees. At the time of 31 March 2022, there are six trustees, none of whom have any financial liability in the event of the charity winding up.

Recruitment and appointment of trustees

New trustees are appointed according to the Trustee Recruitment Policy, the latest version of which was approved by the Board in July 2022. The constitution states that the board should have at least three trustees, with a maximum of twelve. The recruitment policy sets out the process for recruiting new trustees, starting with the board agreeing the need to appoint, and any specific skills that may be required from the new trustee. The process will follow an open recruitment policy and include interviews with at least one board member and the CEO, with recommendations to be submitted to the board for approval.

All new trustees must be formally approved by a majority of existing trustees at a quorate meeting and will serve for an initial term of three years. Trustees may be re-appointed to a second term via the same board meeting approval process, allowing them to serve a maximum of six years on the board.

Induction and training of trustees

New trustees will receive an on-boarding pack of information including the constitution, trustee terms of reference document, the latest annual report and statement of accounts, copies of minutes from recent board meetings, recent monthly board reports and other relevant information.

The chair and CEO will conduct induction sessions, to take the new trustees through the current strategic and operating plans and answer any questions. Additional meetings with other trustees and the Manchester Collective team will take place as necessary, depending on the specific role of the new trustee. Trustees are encouraged to attend external training that may be available to facilitate the undertaking of their new role.

Organisational structure

The board of trustees is responsible for overseeing the operation of Manchester Collective and ensuring that it is being run according to the principles of the agreed constitution. The Chief Executive has been appointed by the trustees to manage the day to day operations and has delegated authority to take decisions on operational matters including finance, employment, sustainability, artistic direction and programme.

The board meets quarterly for a full board meeting, and there are four established sub-committees responsible for Governance & Finance, Environmental Sustainability, Inclusivity & Relevance and Artistic Planning & Communications respectively. Each sub-committee comprises at least two trustees, with additional support from other trustees and members of the Manchester Collective team as needed. Each sub-committee is chaired by a trustee.

Manchester Collective

Trustees' Report

Relationships with related parties

Related Parties & Co-operation with Other Organisations

None of our trustees receive remuneration or any other benefit from their work as a trustee with Manchester Collective beyond the covering of essential expenses as defined in the Trustee Expenses Policy. The artist representatives on our board are performing musicians and, in this capacity, may receive payment for any artistic work that they deliver as part of the Collective. Neither the board nor the individual trustees are involved in any artistic decisions as to programming or player selection.

All trustees give their time freely and no trustee received remuneration in the FY 21/22 beyond the artistic payments to Ruth Gibson and Nick Trygstad, as disclosed in note 21 to the accounts.

Pay Policy for Senior Staff

The pay of senior staff is reviewed annually as part of the budget-setting process and the overall Manchester Collective salary policy. As a principle, pay will be increased annually in line with individual role, performance against agreed objectives and targets, and benchmarked comparisons. Roles in similar artistic organisations including charities will be used to provide appropriate benchmarks. Salary policy and increases will be agreed by the board as part of the annual budget-setting process.

Major risks and management of those risks

Risk Management

Manchester Collective has an active risk management process to cover the identification, management and mitigation of key risks. A risk register is owned and maintained by the Governance & Finance sub-committee. The register is reviewed at least every 6 months, and actions agreed to mitigate those risks where possible. An update is provided to the board on any major changes or new risks identified since the previous review.

The major risk for the Collective at the end of FY 21/22 is around financial sustainability. Recovery from the Covid-19 pandemic continues, but audience numbers and concert fees have not yet returned to pre-pandemic levels. At the same time, inflation is rising, putting increased pressure on operating costs and salaries. Demand on trusts and foundations, an important source of income for the Collective, is at an unprecedented high, increasing competition for a smaller pot of available funds.

In order to manage this risk, regular reviews of the budget and cash flow position take place between the CEO and chair of the board, as well as budget reviews by the Governance & Finance sub-committee and at board meetings. The Collective has a flexible operating model, which means that some activities can be cut in the event of lower than anticipated income. Given the current and expected financial climate over the next 12 months, the financial position of the CIO will need to continue to be managed closely.

The other key risk concerns the departure of key personnel from the Collective. The likelihood of this risk is estimated to be relatively low, but the impact would be high, so succession plans have been put in place for senior members of staff. Mitigation actions are underway across several areas including knowledge transfer and staff welfare.

Manchester Collective

Trustees' Report

Objectives and activities

The vision of Manchester Collective (MC) is to reshape the future of classical music by creating radical artistic work in the north of England. Our ambitious, original musical productions break with convention and embrace artistic risk. Audience development has always been at the heart of our work: our aim is to engage a broader, more diverse range of people with our productions, reaching those who are currently artistically underrepresented and culturally underserved. Through unusual commissions, performances in non-traditional spaces, an accessible communication style and highly tailored digital marketing, we attract audiences who do not typically engage with live classical music as well as genre devotees.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. Manchester Collective relies on a combination of statutory grant income, earned income, and fundraised income to cover its costs.

The activities and strategies employed to achieve the charity's aims and objectives are as follows:

- we present a broad range of performances for the enjoyment and education of audiences across the UK
- we focus our marketing efforts on audiences that are not currently engaging with classical music at a high level, while still serving and connecting with established classical audiences
- we offer opportunities for huge numbers of people to engage with our performances for free, via live streams of concerts, record releases, and original musical video content that we produce
- we produce a range of innovative education schemes, designed to help train the next generation of outstanding British classical musicians

Manchester Collective continues to conduct its business from The Sharp Project in Manchester, and the management team remains stable. In December 2021 the Collective was joined by Lauren Noel, who took up a new role as Development Manager from a previous position at the Royal Northern College of Music.

Public benefit

All of the charitable activities are undertaken for the benefit of the public.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

The year ending 31 March 2022 saw the Collective move through the most immediately perilous phase of the global Covid-19 pandemic (characterised by lockdowns, shuttered recital halls and concert venues, and extremely low levels of live audience engagement and corresponding performance income), and into something of a transition period. The 21/22 artistic season was the first true 'post-Covid' concert season, but naturally, the effects of the pandemic could still be felt in almost every area of the operations of the CIO.

Internally, our work was dominated by a constant theme of organisational consolidation as we prepared to submit our first ever bid to join the National Portfolio of Arts Council England. Although the bid was only due to be submitted in May 2022, by the summer of 2021 we were already completely immersed in the preparation for this major piece of work. New systems and structures were put in place, and the board conducted a review of all existing governance measures and policies. Every part of the organisation was examined, discussed, and usually, improved upon.

Manchester Collective

Trustees' Report

Performance Work

This year saw a return to a more regular mode of touring and concert-giving, mostly unmarred by the social distancing that had so badly affected our work over the previous two years. As performances across the UK began to resume and gather pace, FY 21/22 was a year of debuts for Manchester Collective - we played for the first time at venues including Wigmore Hall, Royal Albert Hall, and Southbank Centre (London), Hallé St Peters and Matt & Phred's (Manchester), Where the Light Gets In (Stockport), Lancaster University Great Hall (Lancaster), St George's Hall and Strange Brew (Bristol), The Sage (Gateshead), Sunny Bank Mills (Leeds), and Future Yard (Birkenhead). Festival debuts included Ryedale Festival, Spitalfields Festival, Norfolk/Norwich Festival, Lake District Summer Music Festival, and of course, the 2021 BBC Proms.

Perhaps the most significant development in this period was the appointment of the Collective to the position of Artist in Residence at the Southbank Centre in London. The FY 21/22 covered the first half of this residency, during which the Collective presented two performances at the Purcell Room. (The second half of the residency was to see two further performances take place in the larger Queen Elizabeth Hall). These strategically vital performances were extraordinarily successful, generating positive artistic, financial, and PR returns, as well as generating numerous subsequent engagements at the Southbank, around the UK, and even internationally.

The other major highlight of the year was the debut performance of the Collective at the Royal Albert Hall in London, appearing as part of the 2021 BBC Proms Festival. Described by The Times as 'an exhilarating Proms debut in a bold and punchy programme', the show saw the Collective give the first ever Proms performances of works by Julius Eastman, Edmund Finnis, Joseph Horowitz, Henryk Górecki, and Wojciech Kilar.

Performances of newly commissioned work continued to dominate our programmes, with our Spitalfields Festival, Voice of the Whale, Heavy Metal, and The Oracle shows all featuring significant world premieres. Our theatrical collaboration with Clod Ensemble, 'This is My Room', also saw its first set of public performances.

Learning and Participation

In FY 21/22 the CIO continued to develop its various learning and engagement programmes. Relationships with UK conservatoires were solidified, including delivery of a week-long project with the Royal Academy of Music, London. Alongside this, the Collective delivered a highly successful String Soloists programme at the Royal Welsh College of Music and Drama (so much so that it was immediately renewed for 2023), and another Professional Experience Scheme with the Royal Northern College of Music. The Collective also delivered a new scheme in partnership with the Young Concert Artists Trust (YCAT). 'Developing Creative Projects' was a free programme aimed at grassroots artists of any discipline and was delivered over three sessions in Manchester.

Northern Voices, our programme celebrating the extraordinary artistic talent in our region, was renewed for a second year. Our three commissioned grass-roots artists included Sophie Broadgate, who is creating a short film exploring the emotional experience of autism and the role of stimming (self-stimulatory behaviour); Mary Griffiths, a visual artist who will test the relationship between sound and image through a series of graphite drawings; and Molly Major, a creative facilitator who is looking to create an interactive space for people to respond to music in playful ways. All three artists will create new work that responds to a major upcoming Manchester Collective project called WEATHER.

Perhaps our most ambitious learning and participation project was our inaugural Winter Residency, a programme that has prompted wide-ranging and much-needed reflection within the conservatoire sector. Meticulous about project evaluation and refinement, we gathered extensive participant feedback and are about to collect secondary reports about longitudinal impact. Feedback from professional musicians and participants has included statements such as:

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- *I would describe it as an amazingly inspiring and valuable time, it felt like a true career changing experience.*
The whole approach to music-making was so much more inclusive than I experienced at music college. Everyone was encouraged to share their artistic ideas. There wasn't any feeling of hierarchy but rather a sense that this was a group of musicians, from varying career stages, all giving to and learning from one another. It's a more holistic and imaginative approach to learning that is too often left out of conservatoire training, which tends to be focused on the end goal...
- *I wish this approach was more widespread. There are so many ways in which it represents a conscious drive to change and shape our industry in positive ways. Long may it continue and grow to inspire other ventures!*
- *I think this Residency is gold dust for young musicians. I think it's amazing that it exists. Thank you for creating such a warm, wholesome, and super educational environment.*

From the Residency, we selected three recent conservatoire graduates to join us on our pilot Fellowship programme - two of them joined the Collective on the final tour of the year, 'The Oracle'.

Studio Recordings and Broadcast Work

This year, the Collective continued to reach large domestic and international audiences through its recording and broadcast work. Our first international engagement since the onset of the Covid-19 pandemic was a trip to Vienna, to film a televised house-concert for the Austrian broadcaster ORF3 at the house of pop superstar André Heller. The 75 minute TV programme directed by Robert Neumüller was broadcast to a range of German-speaking territories on 23 March 2022, and was screened at the Golden Prague International Television Festival.

Our relationship with the BBC continued to develop. In addition to a live radio broadcast of our debut at the BBC Proms, we recorded an episode of Northern Drift with Elizabeth Alker live from the Trades Club in Hebden Bridge, and featured in the first ever BBC 'After Dark Festival' performing Schoenberg's Transfigured Night to a live audience in the main hall of the Sage Gateshead... at 2am.

Record releases and new recording projects were also a focus: in addition to recording a new album for the Swedish label BIS featuring the soprano Ruby Hughes, we also released 'Shades' on Icelandic label Bedroom Community, featuring the first ever recording of Edmund Finnis' pair of string quartets. The release was critically acclaimed, receiving a five star review and Premiere Award nomination from BBC Music Magazine.

Marketing and Communications

In terms of the public profile of the Collective, the FY 21/22 was our strongest year yet. We continued to see significant growth across every platform: the number of newsletter subscribers increased by 55% across the year, and our total following across all digital platforms increased by 26% to 43,600. Coverage in the media was also extremely strong - across the year, Manchester Collective featured in 174 media articles and radio programmes (up from 87 features in the previous FY). Highlights included reviews and feature pieces in The Guardian & The Observer, The Times, Big Issue North, and FACT Magazine.

Awareness of the Manchester Collective brand within the sector also continued to grow. Throughout the year senior staff contributed to key music education and industry publications, and spoke at major conferences and university discussion forums about inclusivity and relevance in classical music.

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Trustees' Report

Financial review

The charity incurred a deficit of £5,012 (2021 - surplus £126,467) in the 2021-22 financial year.

On 31 March 2022, the balance of our Unrestricted Funds was £109,373 (2021 - £144,385), and the balance of our Restricted Funds was £30,000 (2021- nil).

Pleasingly, throughout the year we began to see the return of earned income as a significant portion of the overall turnover of the CIO. The Covid-19 pandemic had seen much of this income stream fall away, however, total earned income in FY 21/22 was £182,813, a dramatic increase on the £36,230 of the previous year.

Principal funding sources

The charities principle funding sources are government grants received and grants from other trusts and foundations.

Fundraised income throughout the year was healthy. There was a slight expected decrease in the receipt of government grants as Cultural Recovery Funding came to an end, but funds raised from trusts and foundations were more than double the total of the year before (£194k up from £87k). Donations and legacies from individuals also increased, up by 50% to a total of c. £18k.

Towards the end of the year, increased pressure on trusts, foundations, individual donors, and statutory grants was identified as a key risk and potential vulnerability for FY 22/23. Rather than seeing a return to a pre-pandemic stability, a new war in Ukraine paired with an energy crisis and looming recession suggested that the coming financial year could be a financially challenging one.

Policy on reserves

Reserves are needed to bridge the gap between spending on productions and events and receiving resources through performance fees and grants that provide funding. The trustees have established the level of reserves (that is those funds that are freely available) that the charity should ideally have. The current level determined (devised to cover the CIOs liabilities for a period of three months) is £120k.

Manchester Collective aims to make a small surplus through its engagements. It is intended that any such surplus will be used to ensure that the reserves policy is maintained. Additionally, it is intended that any such surplus will be used as a contingency fund in order to effectively manage any deviations in budget expectations, including bad debts, or to assist in maintaining a positive cash flow balance if required.

The total reserves at 31 March 2022 were £139,373 with £109,373 unrestricted and £30,000 restricted.

In such volatile economic conditions, trustees have determined that a methodical and steady pace of growth is the most viable way to build up the reserves. As such, the trustees aim to increase this figure by the end of current business plan cycle (March 2026) to reach our ideal restricted reserves amount of £120k.

We acknowledge that our current level of restricted reserves are still relatively low, however, our organisation is still a young one, and so these reserves reflect a creative organisation in its early stages rather than being an indicator of long-term financial potential.

Organisational growth over the last few years has been very steady, and along with this growth we have seen a growth in the maturity and quality of our governance. We are working closely with our board of trustees to ensure that the reserves are increased in a responsible and sustainable manner, and we are on track with this plan.

Manchester Collective

Trustees' Report


Funds in deficit

There are no funds in deficit.

Going concern

The trustees have reviewed going concern and are satisfied that the charity will remain a going concern for a period in excess of twelve months.

The annual report was approved by the trustees of the charity on 24 January 2023 and signed on its behalf by:


Helen Gilman (Jan 26, 2023 22:33 GMT)

H Gilman
Chairman and Trustee

Manchester Collective

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the trustees of the charity on 24 January 2023 and signed on its behalf by:


Helen Gilman (Jan 26, 2023 22:33 GMT).....

H Gilman
Chairman and Trustee

Manchester Collective

Independent Examiner's Report to the trustees of Manchester Collective

I report to the trustees on my examination of the accounts of Manchester Collective for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity trustees of Manchester Collective you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Manchester Collective's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since Manchester Collective's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Manchester Collective as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

John Saxon

John Saxon (Jan 30, 2023 11:22 GMT)

Mr John Saxon F.C.A

Institute of Chartered Accountants in England and Wales

The Moffatts Partnership LLP
Progress House
396 Wilmslow Road
Withington
Manchester
M20 3BN

24 January 2023

Manchester Collective

Statement of Financial Activities for the Year Ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £ (As restated)
Income and Endowments from:					
Donations and legacies	2	390,346	42,000	432,346	354,786
Charitable activities	3	182,913	-	182,913	36,230
Investment income	4	5	-	5	25
Total income		<u>573,264</u>	<u>42,000</u>	<u>615,264</u>	<u>391,041</u>
Expenditure on:					
Charitable activities	5	<u>(608,166)</u>	<u>(12,000)</u>	<u>(620,166)</u>	<u>(264,574)</u>
Total expenditure		<u>(608,166)</u>	<u>(12,000)</u>	<u>(620,166)</u>	<u>(264,574)</u>
Net (expenditure)/income		(34,902)	30,000	(4,902)	126,467
Other recognised gains and losses					
Other gains/losses		<u>(110)</u>	<u>-</u>	<u>(110)</u>	<u>-</u>
Net movement in funds		(35,012)	30,000	(5,012)	126,467
Reconciliation of funds					
Total funds brought forward		<u>144,385</u>	<u>-</u>	<u>144,385</u>	<u>17,918</u>
Total funds carried forward	18	<u><u>109,373</u></u>	<u><u>30,000</u></u>	<u><u>139,373</u></u>	<u><u>144,385</u></u>

All of the charity's activities derive from continuing operations during the above two periods.


The funds breakdown for 2021 is shown in note 18.

The notes on pages 14 to 26 form an integral part of these financial statements.

Manchester Collective
(Registration number: 1167125)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £ (As restated)
Fixed assets			
Tangible assets	13	12,544	7,605
Current assets			
Debtors	14	8,364	16,971
Cash at bank and in hand	15	<u>136,986</u>	<u>126,934</u>
		145,350	143,905
Creditors: Amounts falling due within one year	16	<u>(18,521)</u>	<u>(7,125)</u>
Net current assets		<u>126,829</u>	<u>136,780</u>
Net assets		<u><u>139,373</u></u>	<u><u>144,385</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds	18	30,000	-
Unrestricted income funds			
Unrestricted funds		<u>109,373</u>	<u>144,385</u>
Total funds	18	<u><u>139,373</u></u>	<u><u>144,385</u></u>

The financial statements on pages 11 to 26 were approved by the trustees, and authorised for issue on 24 January 2023 and signed on their behalf by:


Helen Gilman (Jan 26, 2023 22:33 GMT)
.....
H Gilman
Chairman and Trustee

Manchester Collective

Cash Flow Statement for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (expenditure)/income		(5,012)	126,467
Adjustments to cash flows from non-cash items			
Depreciation		6,697	6,240
Investment income		(5)	(25)
		1,680	132,682
Working capital adjustments			
Decrease/(increase) in debtors	14	8,607	(3,761)
Increase in creditors	16	11,396	2,051
Net cash flows from operating activities		21,683	130,972
Cash flows from investing activities			
Interest received		5	25
Acquisitions of tangible assets		(11,636)	(9,913)
Net cash flows from investing activities		(11,631)	(9,888)
Net increase in cash and cash equivalents		10,052	121,084
Cash and cash equivalents at 1 April		126,934	5,850
Cash and cash equivalents at 31 March		136,986	126,934

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 14 to 26 form an integral part of these financial statements.

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Notes to the Financial Statements for the Year Ended 31 March 2022

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Manchester Collective meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value except for the revaluation of the freehold property and investments or as unless otherwise stated in the relevant accounting policy note(s).

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Investment income is recognised on a receivable basis.

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Notes to the Financial Statements for the Year Ended 31 March 2022

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests 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.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

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Notes to the Financial Statements for the Year Ended 31 March 2022

Asset class	Depreciation method and rate
Equipment	33% Straight Line Basis

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Manchester Collective

Notes to the Financial Statements for the Year Ended 31 March 2022

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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 charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £ (As restated)
Donations and legacies;				
Donations from individuals	17,794	-	17,794	11,899
Grants, including capital grants;				
Government grants	220,552	-	220,552	255,778
Grants from other charities	152,000	42,000	194,000	87,109
	390,346	42,000	432,346	354,786

Grants from other charities included £6,000 of restricted income in the prior period. All other income from donations and legacies in the prior period was unrestricted.

Manchester Collective

Notes to the Financial Statements for the Year Ended 31 March 2022

Grants received from other charities include:

British Council International Collaboration Fund	£30,000
D'Oyly Carte Charitable Trust	£3,500
Fidelio Trust	£2,500
Foyle Foundation	£20,000
Garfield Weston Foundation	£40,000
Granada Foundation	£3,000
Haworth Trust	£20,000
John Ellerman Foundation	£50,000
Helen Rachael Mackaness Charitable Trust	£5,000
PRSF Open Fund for Organisations	£5,000
PRSF Talent Development Partnership	£8,500
Royal Philharmonic Society	£4,000
RVW Trust	£2,500
Total Grants from other charities	<u>£194,000</u>

3 Income from charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £ (As restated)
Performance Fees	146,160	146,160	9,740
Education Work	9,508	9,508	14,919
Broadcast Fees	5,729	5,729	8,000
Travel Expenses	10,331	10,331	700
Studio Recording Fees	10,985	10,985	2,871
Speaking Fees	200	200	-
	<u>182,913</u>	<u>182,913</u>	<u>36,230</u>

All income from charitable activities in the prior period related to unrestricted funds.

Manchester Collective

Notes to the Financial Statements for the Year Ended 31 March 2022

4 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £ (As restated)
Interest receivable and similar income;			
Interest receivable on bank deposits	5	5	25

All investment income in the prior period related to unrestricted funds.

5 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £ (As restated)
Project Expenditure	332,528	12,000	344,528	96,522
Staff Costs	210,668	-	210,668	126,980
Marketing expenses	30,701	-	30,701	12,370
Premises Costs	11,662	-	11,662	9,391
Office Costs	7,099	-	7,099	5,999
Travel expenses	3,118	-	3,118	321
General Support costs	1,917	-	1,917	1,815
Bank Charges	254	-	254	275
Depreciation	6,697	-	6,697	6,240
	<u>604,644</u>	<u>12,000</u>	<u>616,644</u>	<u>259,913</u>

	Activity undertaken directly £	Activity support costs £	2022 £	2021 £ (As restated)
Projects	323,778	255,727	579,505	210,258
Commissioned Music	20,750	16,389	37,139	49,655
	<u>344,528</u>	<u>272,116</u>	<u>616,644</u>	<u>259,913</u>

Project expenditure totalling £6,000 related to restricted funds in the prior period. All other expenditure related to unrestricted funds.

In addition to the expenditure analysed above, there are also governance costs of £3,522 (2021 - £4,661) which relate directly to charitable activities. See note for further details.

Manchester Collective

Notes to the Financial Statements for the Year Ended 31 March 2022

6 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Staff cost	210,668	210,668	126,981
Marketing expenses	30,701	30,701	12,370
Premises costs	11,662	11,662	9,391
General expenditure	1,917	1,917	1,814
Office costs	7,099	7,099	5,999
Depreciation	6,697	6,697	6,240
Bank charges	254	254	275
Travel costs	3,118	3,118	321
	<u>272,116</u>	<u>272,116</u>	<u>163,391</u>

Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £ (As restated)
Independent examiner fees			
Examination of the financial statements	1,600	1,600	1,200
Other fees paid to examiners	500	500	-
Legal fees	1,062	1,062	660
Other governance costs	360	360	2,801
	<u>3,522</u>	<u>3,522</u>	<u>4,661</u>

7 Government grants

Grants have received from the Arts Council England and the Cultural Recovery Fund.
The amount of grants recognised in the financial statements was £220,552 (2021 - £255,778).

8 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2022 £	2021 £
Depreciation of fixed assets	<u>6,697</u>	<u>6,240</u>

Manchester Collective

Notes to the Financial Statements for the Year Ended 31 March 2022

9 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

N Trygstad

N Trygstad received remuneration of £5,969 (2021: £Nil) during the year.

Nick Trygstad is a musician and has been remunerated as a freelance musician.

R Gibson

R Gibson received remuneration of £17,988 (2021: £Nil) during the year.

Ruth Gibson is a musician and has been remunerated as a freelance musician.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

10 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £ (As restated)
Staff costs during the year were:		
Wages and salaries	186,783	116,374
Social security costs	13,234	7,586
Pension costs	8,696	2,898
Other staff costs	1,955	123
	<u>210,668</u>	<u>126,981</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Management and Administration	<u>6</u>	<u>5</u>

6 (2021 - 5) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £8,696 (2021 - £2,898).

No employee received emoluments of more than £60,000 during the year

The total employee benefits of the key management personnel of the charity were £83,192 (2021 - £59,780).

The chief executive officer, as the highest paid member of staff, received benefits totalling £46,567 (2021 - £38,967).

Manchester Collective

Notes to the Financial Statements for the Year Ended 31 March 2022

11 Independent examiner's remuneration

	2022 £	2021 £ (As restated)
Examination of the financial statements	1,600	1,200
Other fees to examiners		
All other services	500	-

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 April 2021	18,911	18,911
Additions	11,636	11,636
At 31 March 2022	30,547	30,547
Depreciation		
At 1 April 2021	11,306	11,306
Charge for the year	6,697	6,697
At 31 March 2022	18,003	18,003
Net book value		
At 31 March 2022	12,544	12,544
At 31 March 2021	7,605	7,605

14 Debtors

	2022 £	2021 £ (As restated)
Trade debtors	7,366	14,326
Prepayments	998	-
Other debtors	-	2,645
	8,364	16,971

Manchester Collective

Notes to the Financial Statements for the Year Ended 31 March 2022

15 Cash and cash equivalents

	2022	2021
	£	£
Cash at bank	<u>136,986</u>	<u>126,934</u>

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,430	-
Other taxation and social security	5,974	4,330
VAT creditor	2,299	-
Other creditors	-	159
Accruals	<u>7,818</u>	<u>2,636</u>
	<u>18,521</u>	<u>7,125</u>

17 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £8,696 (2021 - £2,898).

Manchester Collective

Notes to the Financial Statements for the Year Ended 31 March 2022

18 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds					
<i>General</i>					
General Funds	144,385	573,264	(608,166)	(110)	109,373
Restricted funds					
Commissioned Works	-	12,000	(12,000)	-	-
British Council - International Projects	-	30,000	-	-	30,000
Total restricted funds	-	42,000	(12,000)	-	30,000
Total funds	144,385	615,264	(620,166)	(110)	139,373
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds					
<i>General</i>					
General Funds	17,918	385,041	(258,574)	-	144,385
Restricted					
Commissioned Works	-	6,000	(6,000)	-	-
Total funds	17,918	391,041	(264,574)	-	144,385

The specific purposes for which the funds are to be applied are as follows:

Commission Works - this is income specifically received for artist commissions.

British Council - International Collaboration Grants - This is income received for a project - Partnership and Artist Exchange. This is a collaboration with Manchester Collective and the Norwegian Chamber Orchestra between countries UK and Norway.

Manchester Collective

Notes to the Financial Statements for the Year Ended 31 March 2022

19 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2022 £
Tangible fixed assets	12,544	-	12,544
Current assets	115,350	30,000	145,350
Current liabilities	(18,521)	-	(18,521)
Total net assets	<u>109,373</u>	<u>30,000</u>	<u>139,373</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	7,605	-	7,605
Current assets	143,905	-	143,905
Current liabilities	(7,125)	-	(7,125)
Total net assets	<u>144,385</u>	<u>-</u>	<u>144,385</u>

20 Analysis of net funds

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	<u>126,934</u>	<u>10,052</u>	<u>136,986</u>
Net debt	<u>126,934</u>	<u>10,052</u>	<u>136,986</u>
	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	<u>17,918</u>	<u>109,016</u>	<u>126,934</u>
Net debt	<u>17,918</u>	<u>109,016</u>	<u>126,934</u>

Manchester Collective

Notes to the Financial Statements for the Year Ended 31 March 2022

21 Related party transactions

During the year the charity made the following related party transactions:

Abel Selaocoe

(Abel Selaocoe is the partner of trustee Ruth Gibson.)

During the year he has been paid £5,786 as freelance musician. Hiring decisions are made by Senior Management at arm's length from the board. At the balance sheet date the amount due to/from Abel Selaocoe was £Nil (2021 - £Nil).

Rosemary Attree

(Rosemary Attree is the partner of trustee Nick Trygstad)

During the year she has been paid £1,518 as freelance musician. Hiring decisions are made by Senior Management at arm's length from the board. At the balance sheet date the amount due to/from Rosemary Attree was £Nil (2021 - £Nil).

Manchester Collective

Statement of Financial Activities by fund for the Year Ended 31 March 2022

	Total Unrestricted Funds 2022 £	Total Unrestricted Funds 2021 £
Income and Endowments from:		
Donations and legacies	390,346	348,786
Charitable activities	182,913	36,230
Investment income	5	25
Total income	<u>573,264</u>	<u>385,041</u>
Expenditure on:		
Charitable activities	<u>(608,166)</u>	<u>(258,574)</u>
Total expenditure	<u>(608,166)</u>	<u>(258,574)</u>
Net (expenditure)/income	<u>(34,902)</u>	<u>126,467</u>
Net movement in funds	(34,902)	126,467
Reconciliation of funds		
Total funds brought forward	<u>144,385</u>	<u>17,918</u>
Total funds carried forward	<u><u>109,483</u></u>	<u><u>144,385</u></u>

Manchester Collective

Statement of Financial Activities by fund for the Year Ended 31 March 2022

	Total Restricted Funds 2022 £	Total Restricted Funds 2021 £
Income and Endowments from:		
Donations and legacies	<u>42,000</u>	<u>6,000</u>
Total income	<u>42,000</u>	<u>6,000</u>
Expenditure on:		
Charitable activities	<u>(12,000)</u>	<u>(6,000)</u>
Total expenditure	<u>(12,000)</u>	<u>(6,000)</u>
Net income	<u>30,000</u>	<u>-</u>
Reconciliation of funds		
Total funds carried forward	<u><u>30,000</u></u>	<u><u>-</u></u>

Manchester Collective

Detailed Statement of Financial Activities for the Year Ended 31 March 2022

	Total 2022 £	Total 2021 £ (As restated)
Income and Endowments from:		
Donations and legacies (analysed below)	432,346	354,786
Charitable activities (analysed below)	182,913	36,230
Investment income (analysed below)	5	25
	<u>615,264</u>	<u>391,041</u>
Total income		
Expenditure on:		
Charitable activities (analysed below)	(620,166)	(264,574)
Total expenditure	(620,166)	(264,574)
Net (expenditure)/income	(4,902)	126,467
Net movement in funds	(4,902)	126,467
Reconciliation of funds		
Total funds brought forward	144,385	17,918
Total funds carried forward	<u>139,483</u>	<u>144,385</u>

Manchester Collective

Detailed Statement of Financial Activities for the Year Ended 31 March 2022

	Total 2022 £	Total 2021 £
<i>Donations and legacies</i>		
Appeals and donations	17,794	11,899
Trusts and foundations	42,000	6,000
Trusts and foundations	152,000	81,109
UK Government grants	220,552	255,778
	<u>432,346</u>	<u>354,786</u>
<i>Charitable activities</i>		
Performances and other earned income	182,913	36,230
	<u>182,913</u>	<u>36,230</u>
<i>Investment income</i>		
Interest on cash deposits	5	25
	<u>5</u>	<u>25</u>

Manchester Collective

Detailed Statement of Financial Activities for the Year Ended 31 March 2022

	Total 2022 £	Total 2021 £
<i>Charitable activities</i>		
Project costs	332,528	90,522
Project costs	12,000	6,000
Wages and salaries	186,783	116,374
Staff NIC (Employers)	13,234	7,586
Staff pensions (Defined contribution) - pension scheme 1	8,696	2,898
Casual wages	-	123
Staff training	728	1,341
Staff welfare	1,205	-
Travelling	3,779	793
Rent	10,849	8,819
Insurance	813	572
Equipment repairs and renewals	2,925	2,989
Printing, postage and stationery	206	259
Trade subscriptions	3,968	2,752
Bank charges	253	275
Staff welfare	750	-
Sundry expenses	373	-
Advertising	30,701	12,370
Gifts	156	-
Depreciation of plant and machinery	6,697	6,240
Cost of trustee meetings	150	11
Accountancy fees	500	-
Independent examiner's fee	1,600	1,200
Consultancy fees	210	2,790
Legal and professional fees	1,062	660
	620,166	264,574

This page does not form part of the statutory financial statements.