

Charity registration number: 1167125

# Manchester Collective

Annual Report and Financial Statements

for the Year Ended 31 March 2023

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## **Manchester Collective**

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## **Manchester Collective**

### **Reference and Administrative Details**

<b>Chair</b>	H Gilman
<b>Chief Executive Officer</b>	A Szabo
<b>Trustees</b>	H Gilman R Gibson N Trygstad H Wallace P Ramchurn J Holden D McKeith R Sheldon
<b>Other Officers</b>	R Singh, Music Director D Kennedy, General Manager L Begbie, Deputy CEO
<b>Charity Registration Number</b>	1167125
<b>Principal Office</b>	The Sharp Project Thorp Road Manchester M40 5BJ
<b>Independent Examiner</b>	The Moffatts Partnership LLP Suite 1.1, First Floor, Jackson House Sibson Road Sale M33 7RR
<b>Accountants</b>	The Moffatts Partnership LLP Suite 1.1, First Floor, Jackson House Sibson Road Sale M33 7RR

## **Manchester Collective**

### **Trustees' Report**

The trustees are pleased to present their annual report for the seventh year of the operations of the CIO (Manchester Collective). This report concerns the financial year ended 31 March 2023.

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 16 May 2016 as amended on 16 May 2022. 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 2023, there are eight 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.

## **Manchester Collective**

### **Trustees' Report**

The board meets quarterly for a full board meeting, and there are three established sub-committees responsible for Governance & Finance, Environmental Sustainability, Artistic Planning and Inclusivity & Relevance. 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. There is also a Player Committee with representation on the board.

#### **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 22/23 beyond the artistic payments to Ruth Gibson and Nick Trygstad, as disclosed in note 9 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. Remuneration for senior staff is managed by the Governance & Finance subcommittee. 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 maintained by the Governance & Finance sub-committee. The register is reviewed at least every 3 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 22/23 is around financial sustainability. The macro-economic context of the entire subsidised arts sector is extremely challenging, with rising inflation putting increased pressure on operating costs and salaries. Demand on funding from 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 are carried out by the Governance & Finance subcommittee, who also analyse monthly management accounts submitted by the Chief Executive.

##### ***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.

## **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 and presenting this work to audiences in the UK and internationally, live and online. 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 brave 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 are developing a range of innovative music education opportunities, designed to help train the next generation of outstanding professional musicians

Manchester Collective continues to conduct its business from The Sharp Project in Manchester, and the management team remains stable.

#### **Achievements and performance**

The year ending 31 March 2023 saw the Collective deliver some of its most significant performance projects to date, whilst also navigating a transition into Arts Council England's National Portfolio following a successful application. Public facing highlights included the premiere of hit projects including The Oracle, Neon, and WEATHER. Internally, the focus was squarely on developing the rigour and effectiveness of charity governance. A particular success was an open recruitment round for new trustees towards the end of 2022, resulting in three appointments: Jo Holden, Richard Sheldon, and David McKeith joined the board on 31 January 2023.

## **Manchester Collective**

### **Trustees' Report**

#### **Performance Work**

'Manchester Collective continues to be a beacon in dark times, a light that others should follow.'

- Seen and Heard International

In terms of public profile, critical acclaim, and audience growth, this was a hugely significant year for the Collective. Projects devised and delivered across the year included:

- The Oracle (April 2022)
- Neon (May 2022)
- This Savage Parade (June 2022)
- Sirocco (Summer and Autumn 2022)
- WEATHER (September 2022)
- Arcadiana (October 2022)
- Places We Know (November - December 2022)
- Bag of Bones (February 2023)
- Black Angels (March 2023)

The Collective serves live audiences of c.8000 each year and has an online following of just under 50,000. Each season typically employs 100-150 freelance performers, creatives and technical specialists in the UK. In devising artistic seasons, the artistic team commissions 6-8 new musical works from a diverse range of music creators. This year saw the world premieres of newly commissioned works by Abel Selaocoe, Hannah Peel, Kelly Moran, Chris Watson, Carlos Casas, Oliver Leith, Alice Zawadzki, and Camae Ayewa (Moor Mother).

It was also a year that saw growth in international touring. In addition to many performances across the UK, the Collective performed in the Netherlands (Neon at Wonderfeel Festival), Belgium (Neon at Walden Festival), Portugal (Sirocco at D'Orfeu Festival), Germany (Black Angels and Sirocco at Heidelberg and Schleswig Holstein Festival), France (Sirocco at Detours de Babel in Grenoble), and across the USA (Sirocco).

Where the Collective performed, critical acclaim swiftly followed. Our debut of The Oracle at the Southbank Centre was met with a five-star review in The Times ('a joyful, supercharged fusion of African and European traditions'); and Places We Know received four stars in the Observer ('this was playing of the highest quality, perhaps reflecting the confidence that even a small amount of recognition can bring to an ensemble with the vision and skill to truly see into the future.') In total, the Collective were featured or mentioned in 166 separate pieces of press coverage across the year.

#### **Learning and Participation**

In addition to continuing the existing suite of education programmes (Northern Voices, Winter Residency, and the Professional Experience Scheme at the Royal Northern College of Music), FY 22-23 saw the Collective begin a new partnership with the Young Concert Artists Trust (YCAT), delivering three workshops aimed at supporting emerging artists in developing their own original artistic projects. Another highlight of the year was a return to the Royal Welsh College of Music and Drama to lead a String Soloists programme with Masters-level students.

## **Manchester Collective**

### **Trustees' Report**

#### **Financial review**

This was a challenging year for the charity. Compounding economic pressures necessitated the use of reserves to sustain the work of the Collective. At the end of the financial year, the balance of charity funds was £29,278.

Like other small organisations, we suffered under the effect of energy price rises, general inflation, and the knock-on effect this has had on touring costs, venue performance fees and audience behaviour. Pressures on public funding meant we received less NPO funding than we expected; we receive no local authority funding and we noticed a palpable increase in competition for grant support from trusts and foundations.

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. We will be working hard this year to stabilise and rebuild some financial reserves. Scrutinised by our Governance and Finance Subcommittee, our operating budget for 2023-24 is conservative. Monthly cash flow meetings between this subcommittee and our Chief Executive will also ensure strong budgetary oversight.

There continues to be strong public demand for our work: earned income was higher than ever this year, almost doubling from £183k to £340k. Maximising earned income in future financial years will be key to the continuing healthy growth of the Collective.

#### ***Principal funding sources***

The charity's principal sources of fundraised income are government grants, and grants from trusts and foundations.

#### **Voluntary income**

Fundraised voluntary income in FY 22/23 was lower than the previous year, reflecting the fact that emergency covid funding measures have drawn to a close. Individual donations were close to their 21/22 levels (£16k down from £18k), but trust and foundation receipts dropped by 36% to £124k.

Increased pressure on trusts, foundations, individual donors, and statutory grants had been identified as a key risk and vulnerability: we continue to monitor the fundraising landscape closely to ensure that targets are set responsibly.

#### ***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 £90k.

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 achieved and 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.

Due to the challenges of this financial year, organisational reserves at 31 March 2023 are significantly depleted. 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 to their ideal level. As such, the trustees aim to increase this figure by the end of current business plan cycle (March 2026) to reach our ideal reserve amount of £90k.



## 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 10 January 2024 and signed on its behalf by:



.....  
H Gilman  
Chair 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 10 January 2024 and signed on its behalf by:



.....  
H Gilman  
Chair 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 2023.

#### **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.

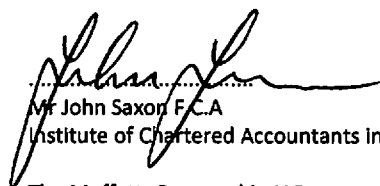
#### **Independent examiner's statement**

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.



Mr John Saxon F.C.A.  
Institute of Chartered Accountants in England and Wales

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10 January 2024

## Manchester Collective

### Statement of Financial Activities for the Year Ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>Income and Endowments from:</b>					
Donations and legacies	2	285,867	29,000	314,867	432,346
Charitable activities	3	423,846	-	423,846	182,913
Investment income	4	269	-	269	5
Total income		<u>709,982</u>	<u>29,000</u>	<u>738,982</u>	<u>615,264</u>
<b>Expenditure on:</b>					
Charitable activities	5	<u>(807,793)</u>	<u>(39,000)</u>	<u>(846,793)</u>	<u>(620,166)</u>
Total expenditure		<u>(807,793)</u>	<u>(39,000)</u>	<u>(846,793)</u>	<u>(620,166)</u>
Net expenditure		(97,811)	(10,000)	(107,811)	(4,902)
<b>Other recognised gains and losses</b>					
Other gains/losses		<u>(2,284)</u>	<u>-</u>	<u>(2,284)</u>	<u>(110)</u>
Net movement in funds		(100,095)	(10,000)	(110,095)	(5,012)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>109,373</u>	<u>30,000</u>	<u>139,373</u>	<u>144,385</u>
Total funds carried forward	18	<u>9,278</u>	<u>20,000</u>	<u>29,278</u>	<u>139,373</u>

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

The funds breakdown for 2022 is shown in note 18.

# Manchester Collective

## (Registration number: 1167125) Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	8,664	12,544
<b>Current assets</b>			
Debtors	14	111,686	8,364
Cash at bank and in hand	15	9,876	136,986
		121,562	145,350
<b>Creditors: Amounts falling due within one year</b>	16	(100,948)	(18,521)
<b>Net current assets</b>		20,614	126,829
<b>Net assets</b>		29,278	139,373
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	18	20,000	30,000
<b>Unrestricted income funds</b>			
Unrestricted funds		9,278	109,373
<b>Total funds</b>	18	29,278	139,373

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 10 January 2024 and signed on their behalf by:

*Helen Gilman*

H Gilman  
Chair and trustee

## Manchester Collective

### Cash Flow Statement for the Year Ended 31 March 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(110,095)	(5,012)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		7,863	6,697
Investment income	4	<u>(269)</u>	<u>(5)</u>
		(102,501)	1,680
<b>Working capital adjustments</b>			
(Increase)/decrease in debtors	14	(103,322)	8,607
Increase in creditors	16	<u>52,427</u>	<u>11,396</u>
Net cash flows from operating activities		<u>(153,396)</u>	<u>21,683</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	4	269	5
Purchase of tangible fixed assets	13	<u>(3,983)</u>	<u>(11,636)</u>
Net cash flows from investing activities		(3,714)	(11,631)
<b>Cash flows from financing activities</b>			
Value of new loans obtained during the period		<u>30,000</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		(127,110)	10,052
Cash and cash equivalents at 1 April		<u>136,986</u>	<u>126,934</u>
Cash and cash equivalents at 31 March		<u><u>9,876</u></u>	<u><u>136,986</u></u>

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

## **Manchester Collective**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **1 Accounting policies**

##### **Statement of compliance**

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

Manchester Collective meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

##### **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.

## **Manchester Collective**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **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.

#### **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:



## Manchester Collective

### Notes to the Financial Statements for the Year Ended 31 March 2023

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 2023

#### 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 2023 £	Total 2022 £
Donations and legacies;				
Donations from individuals	13,508	-	13,508	17,794
Gift aid reclaimed	2,785	-	2,785	-
Grants, including capital grants;				
Government grants	174,574	-	174,574	220,552
Grants from other charities	95,000	29,000	124,000	194,000
	<u>285,867</u>	<u>29,000</u>	<u>314,867</u>	<u>432,346</u>

Grants from other charities included £42,000 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 2023

Grants received from other charities include:

	2023	2022
British Council International Collaboration Fund	10,000	30,000
D'Oyly Carte Charitable Trust	3,000	3,500
Granada Foundation	5,500	3,000
Haworth Trust	20,000	20,000
John Ellerman Foundation	50,000	50,000
PRS Foundation	10,000	5,000
PRSF Talent Development Partnership	8,500	8,500
Royal Philharmonic Society	4,000	4,000
RVW Trust	2,000	2,500
Lauriston Trust	2,000	-
Duchy of Lancaster Charitable Trust	1,000	-
Lord and Lady Lurgan Trust	2,500	-
Shears Foundation	5,500	-
Garfield Weston Foundation	-	40,000
Fidelio Trust	-	2,500
Helen Rachael Mackaness Charitable Trust	-	5,000
Foyle Foundation	-	20,000
Total Grants from other charities	<u>124,000</u>	<u>194,000</u>

### 3 Income from charitable activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Performance Fees	301,525	301,525	146,160
Education Work	6,137	6,137	9,508
Broadcast Fees	20,858	20,858	5,729
Travel Expenses	11,048	11,048	10,331
Studio Recording Fees	-	-	10,985
Speaking Fees	-	-	200
Orchestra Tax Relief	84,278	84,278	-
	<u>423,846</u>	<u>423,846</u>	<u>182,913</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 2023

#### 4 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	11	11	5
Other interest receivable	258	258	-
	<u>269</u>	<u>269</u>	<u>5</u>

#### 5 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Project Expenditure	457,909	39,000	496,909	344,528
Staff Costs	247,332	-	247,332	210,668
Marketing expenses	49,879	-	49,879	30,701
Premises Costs	12,274	-	12,274	11,662
Office Costs	8,083	-	8,083	7,099
Travel expenses	7,880	-	7,880	3,118
General Support costs	6,964	-	6,964	1,917
Bank Charges	439	-	439	254
Depreciation	7,863	-	7,863	6,697
Governance costs	9,170	-	9,170	3,522
	<u>807,793</u>	<u>39,000</u>	<u>846,793</u>	<u>620,166</u>

	Activity undertaken directly £	Activity support costs £	2023 £	2022 £
Projects	455,785	320,928	776,713	579,505
Commissioned Music	41,124	28,956	70,080	37,139
	<u>496,909</u>	<u>349,884</u>	<u>846,793</u>	<u>616,644</u>

Project expenditure totalling £12,000 related to restricted funds in the prior period. All other expenditure related to unrestricted funds.

## Manchester Collective

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 6 Analysis of governance and support costs

##### Charitable activities expenditure

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Staff cost	247,332	247,332	210,668
Marketing expenses	49,879	49,879	30,701
Premises costs	12,274	12,274	11,662
Office costs	8,083	8,083	7,099
Travel costs	7,880	7,880	3,118
General expenditure	6,964	6,964	1,917
Bank charges	439	439	254
Depreciation	7,863	7,863	6,697
	<u>340,714</u>	<u>340,714</u>	<u>272,116</u>

##### Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Independent examiner fees			
Examination of the financial statements	3,000	3,000	1,600
Other fees paid to examiners	5,090	5,090	500
Legal fees	530	530	1,062
Other governance costs	550	550	360
	<u>9,170</u>	<u>9,170</u>	<u>3,522</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 £174,574 (2022 - £220,552).

## Manchester Collective

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023 £	2022 £
Depreciation of fixed assets	<u>7,863</u>	<u>6,697</u>

#### 9 Trustees remuneration and expenses

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

##### N Trygstad

N Trygstad received remuneration of £4,450 (2022: £5,969) during the year.

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

##### R Gibson

R Gibson received remuneration of £8,007 (2022: £17,988) during the year.

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

At the balance sheet date the amount due to R Gibson was £1,599 (2022: £Nil).

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:

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	216,396	186,783
Social security costs	18,196	13,234
Pension costs	11,031	8,696
Other staff costs	<u>1,709</u>	<u>1,955</u>
	<u>247,332</u>	<u>210,668</u>

## Manchester Collective

### Notes to the Financial Statements for the Year Ended 31 March 2023

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:

	2023 No	2022 No
Management and Administration	<u>6</u>	<u>6</u>

6 (2022 - 6) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £11,031 (2022 - £8,696).

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 £88,000 (2022 - £83,192).

The chief executive officer, as the highest paid member of staff, received benefits totalling £48,000 (2022 - £46,567).

#### 11 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	<u>3,000</u>	<u>1,600</u>
Other fees to examiners		
All other services	<u>5,090</u>	<u>500</u>

#### 12 Taxation

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

## Manchester Collective

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 13 Tangible fixed assets

	Furniture and equipment £	Total £
<b>Cost</b>		
At 1 April 2022	30,547	30,547
Additions	<u>3,983</u>	<u>3,983</u>
At 31 March 2023	<u>34,530</u>	<u>34,530</u>
<b>Depreciation</b>		
At 1 April 2022	18,003	18,003
Charge for the year	<u>7,863</u>	<u>7,863</u>
At 31 March 2023	<u>25,866</u>	<u>25,866</u>
<b>Net book value</b>		
At 31 March 2023	<u>8,664</u>	<u>8,664</u>
At 31 March 2022	<u>12,544</u>	<u>12,544</u>

#### 14 Debtors

	2023 £	2022 £
Trade debtors	21,003	7,366
Prepayments	37,253	998
Accrued income	53,376	-
Other debtors	<u>54</u>	<u>-</u>
	<u>111,686</u>	<u>8,364</u>

#### 15 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	<u>9,876</u>	<u>136,986</u>



## Manchester Collective

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 16 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	43,866	2,430
Other loans	30,000	-
Other taxation and social security	10,248	5,974
VAT creditor	4,752	2,299
Accruals	12,082	7,818
	<u>100,948</u>	<u>18,521</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 £11,031 (2022 - £8,696).

## Manchester Collective

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 18 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>					
<b>General</b>					
General Funds	109,373	709,982	(807,793)	(2,284)	9,278
<b>Restricted funds</b>					
Commissioned Works	-	16,000	(16,000)	-	-
British Council - International Projects	30,000	10,000	(20,000)	-	20,000
Granada Foundation	-	3,000	(3,000)	-	-
<b>Total restricted funds</b>	<u>30,000</u>	<u>29,000</u>	<u>(39,000)</u>	<u>-</u>	<u>20,000</u>
<b>Total funds</b>	<u>139,373</u>	<u>738,982</u>	<u>(846,793)</u>	<u>(2,284)</u>	<u>29,278</u>
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
<b>General</b>					
General Funds	144,385	573,264	(608,166)	(110)	109,373
<b>Restricted</b>					
Commissioned Works	-	12,000	(12,000)	-	-
British Council - International Projects	-	30,000	-	-	30,000
<b>Total restricted funds</b>	<u>-</u>	<u>42,000</u>	<u>(12,000)</u>	<u>-</u>	<u>30,000</u>
<b>Total funds</b>	<u>144,385</u>	<u>615,264</u>	<u>(620,166)</u>	<u>(110)</u>	<u>139,373</u>

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.

Granada Foundation - to support Northern Voices artist development initiative.

## Manchester Collective

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 19 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	8,664	-	8,664
Current assets	101,562	20,000	121,562
Current liabilities	(100,948)	-	(100,948)
<b>Total net assets</b>	<b>9,278</b>	<b>20,000</b>	<b>29,278</b>
	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)
<b>Total net assets</b>	<b>109,373</b>	<b>30,000</b>	<b>139,373</b>

#### 20 Analysis of net funds

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	136,986	(127,110)	9,876
Debt due within one year	-	(30,000)	(30,000)
<b>Net debt</b>	<b>136,986</b>	<b>(157,110)</b>	<b>(20,124)</b>
	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	126,934	10,052	136,986
<b>Net debt</b>	<b>126,934</b>	<b>10,052</b>	<b>136,986</b>

## **Manchester Collective**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **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 £32,746 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 Abel Selaocoe was £3,578 (2022 - £Nil).

##### **Rosemary Attree**

(Rosemary Attree is the partner of trustee Nick Trygstad)

During the year she has been paid £2,580 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 (2022 - £Nil).

##### **Helen Gilman**

(Helen Gilman is a trustee)

During the year she provided a loan of £30,000 to the charity to assist with cash flow. The loan has been repaid shortly after the year end. At the balance sheet date the amount due to Helen Gilman was £30,000 (2022 - £Nil).