

Charity Registration No. 1125752

Company Registration No. 06364836 (England and Wales)

**THE BRITISH MUSIC EXPERIENCE**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2021**

# THE BRITISH MUSIC EXPERIENCE

## LEGAL AND ADMINISTRATIVE INFORMATION

---

<b>Trustees</b>	S Weil H Goldsmith CBE K Harris OBE K McManus Sir M Featherstone-Witty S Galbraith
<b>Secretary</b>	Broadway Secretaries Limited
<b>Charity number</b>	1125752
<b>Company number</b>	06364836
<b>Principal address</b>	Cunard Building Liverpool Merseyside L3 1DS
<b>Registered office</b>	One Bartholomew Close London EC1A 7BL
<b>Independent examiner</b>	Simon Evans FCA Lewis Evans Partnership LLP The Oaks 3 Village Road West Kirby Wirral CH48 3JN
<b>Bankers</b>	Barclays Bank Plc 1 Churchill Place London E14 5HP
<b>Solicitors</b>	BDB Pitmans LLP One Bartholomew Close London EC1A 7BL

---

# THE BRITISH MUSIC EXPERIENCE

## CONTENTS

---

	<b>Page</b>
Trustees' report	1 - 5
Statement of trustees' responsibilities	6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 19

---

# THE BRITISH MUSIC EXPERIENCE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 30 APRIL 2021

---

The Board of Trustees, who are the Directors of the British Music Experience ("the Charity"), present their report for the year ended 30 April 2021 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for the year. Comparatives are for the year ended 30 April 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 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) (effective 1 January 2019)".

#### Reference and Administrative Details

The Charity is a registered charity (No. 1125752) and a registered company (No. 06364836) limited by guarantee and registered under the laws of England and Wales. Its registered office is as shown on the legal and administrative information page. As a registered company the Charity's accounts are filed with the Registrar of Companies.

The present Trustees, who are the Directors of the Charity for Companies Act Purposes, are listed on the legal and administrative information page. The Charity carries out charitable activities in accordance with its stated objective. The liability of each of the Charity's members is limited to an amount no greater than £1. If the Charity is wound up or dissolved and there remains any property, it shall not be paid to or distributed among members of the Charity, but shall be given or transferred to some other charity or charities having objects similar to the Objects of the Charity.

#### Objectives and Principal Activities of the Charity

The purposes of the Charity are to advance the education of the public in the history, science and culture of British popular music from its origins to the present day by the:

- Presentation of interactive learning displays and exhibitions, public events and concerts;
- Acquisition (whether on loan, or lease, or by way of gift, purchase, recovery or otherwise), preservation, maintenance and exhibition of any artistic works, instruments, papers, interviews or artefacts;
- Provision of research, sound recording, performance and archiving facilities; and
- Such other charitable purposes under the law of England and Wales as the Trustees shall decide from time to time.

The Charity's objectives are pursued primarily by the operation of an interactive exhibition known as the British Music Experience (the "Museum").

#### Structure, Governance and Management

The Charity is governed by a Memorandum and Articles of Association, which were originally adopted on 7th September 2007. The Memorandum and Articles of Association were amended on 1st September 2009 and 19th October 2015 under resolution.

Trustees are appointed in accordance with the Articles of Association of the Charity. The Trustees were selected foremost because of their charity and British music industry expertise, but also because of their knowledge of how music can benefit the public. The Trustees are familiar with the practical work of the Charity and many of them have been involved with BME since its inception. Trustees are encouraged to familiarise themselves with the Charity and the context within which it operates, as well as receiving guidance on their responsibilities as Trustees. The Trustees are also directed to the Charity Commission guide 'the Essential Trustee'.

New trustees undergo an orientation meeting with the Chair and Principal Officers to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to keep fully up to date with Charity Commission best practice.

# THE BRITISH MUSIC EXPERIENCE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2021**

---

### Group Structure

The British Music Experience group consists of one legal entity:

- The British Music Experience, which is a registered charity in England and a company incorporated under the laws of England and Wales.

### Risk Management

The Charity uses a risk management process to assess business risks and implement risk management strategies.

The risk assessment is carried out at regular Operations meetings of management as well as at Trustee meetings and involves identifying the types of risks the Charity faces, prioritising them in terms of potential effect and likelihood of occurrence and identifying means of mitigating them. As part of this process, the adequacy of the Charity's current internal controls is also reviewed. Procedures have been established for reporting failings immediately to appropriate levels of management and, where applicable, to the Trustees.

After reviewing the risks to the Charity at the year end, the Trustees concluded the Charity has taken all prudent and reasonable steps to minimise the overall risks to the organisation; that the current policies and procedures governing risk management are appropriate; and that the system of internal checks and balances they have put in place serves to safeguard the Charity sufficiently against the risks it might face.

### Achievements and Performance

The main objectives outlined in the previous reporting period were primarily short-term objectives to mitigate the severe risk posed by the ongoing Covid-19 pandemic. The organisation's growth plan which emphasised operating revenue, sponsorship and partnerships with content development remains important but was superseded by the short-term goals to see the Museum through the pandemic. These short-term objectives included staff retention, seeking all government support measures available, design and launch a new website, revise business planning to include Covid-19 risks, comply and install the health and safety measures to ensure accreditation for staff and visitors. Lastly, content development remains a priority.

### The Museum

The Charity's primary charitable objective is the presentation and display of the British Music Experience's collection of objects, instruments, stage outfits and digital archive charting the history of popular music from 1945 to present day. It is important to recognise the Museum was closed during the lockdown periods and also included severely impacted periods when Liverpool was in Tier 3 restrictions but not in lockdown. Museum footfall during the reporting period was 5,248 (43,609, 2020) comprised of mostly domestic tourists and families. The Museum won Experience of the Year at the Liverpool Regional Tourism Awards. Social media commentary, press reviews and visitor feedback remained excellent with consistent reference made to the excellent staff interaction with 4.5\* - 5\* reviews achieved across our three visitor feedback platforms. BME received its fourth consecutive Trip Advisor Certificate of Excellence. The Museum also applied for Accreditation through Arts Council England, a process that can take up to three years. It will improve our conservation skills and collection management policies, ultimately allowing the Charity to apply for Arts Council funding only available to accredited museums.

### Operations

The Charity was able to retain the majority of staff, with only one role unviable due to the ongoing loss of group visitation. The Charity successfully applied for all available Covid support funding including grants administered through the local authority, VAT reductions and payment plans, business rates reductions, Cultural Recovery Grants and the Job Retention Scheme. The support received across the reporting period was vital to the Museum's viability. The Museum also introduced the unlimited visitation Gift Aid model of entry, allowing visitors to return across a 12-month period. This has been well received, creating positive visitor feedback as well as a 64% increase over the previous the year in Gift Aid revenue. Given the low footfall across the reporting period this revenue has the potential to increase significantly. The adult lead ticket price during the period was £15.

# THE BRITISH MUSIC EXPERIENCE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2021

---

The Museum launched a new website during the reporting period with a simplified online visitor journey. The management team focussed on ensuring search term keywords and coding were aligned with the site and also created an archive to document all public programmes and temporary exhibitions. The Museum also conducted risk assessments and achieved the Covid accreditation We're Good to Go and Safe Travels. We hosted a two-day staff training session to explain precautions in place.

#### Temporary Exhibitions, Acquisitions and Loans

The Museum purchased an original 1970's muslin Seditionaries Anarchy shirt to become a permanent part of our punk collection. The Museum also purchased an original 1964 Hard Days Night Usherette dress and a Selco 1962 toy guitar for the Beatlemania collection. The Museum updated the digital content for the 2020 timeline and the BRITs pavilion. There were two temporary exhibitions hosted in the reporting period; *Charlotte Wellings, Live Music Through Photography* and the installation of *Frankie Say 1984!*. However, due to the Covid-19 lockdown, *Frankie Say 1984!* did not formally launch until May 2021.

#### Education Programme

The Education programme was reduced and refined due to the Covid-19 pandemic which saw the abrupt stop of school group visitation. While this is anticipated to recover in 2022, during the reporting period there were no schools conducting field trips to the Museum. Management focussed on the two most popular workshops, Pop Culture and Rewind. The workshops have been re-aligned to the National Curriculum across the key stages. Crew have been trained to deliver each workshop with guided tour of the Museum, concluding in a session in the Gibson Brands Studio.

#### Public Programmes

The Museum's roster of Public Programmes aims to complement the Museum, Temporary Exhibitions, the Education Programme and seasonal/local events. Due to Covid-19, this area of the Charity was severely impacted due to the restrictions. In 2020-21 we only hosted three public programme events.

#### The Gibson Brand Interactive Studio

The Gibson Studio continues to be one of the most popular parts of the BME. It provides interactive tutorials from beginning, intermediate and advanced skill levels. The studio offers a range of high-end Gibson guitars (electric and acoustic), bass guitars, drums, keyboards and a vocal booth. Staffed with a musician, the studio offers a music-making experience to all its visitors. Additionally, we have added an interactive floor play area with hand-held percussion instruments and ukuleles for the youngest visitors. This area has been carefully managed with cleaning between visitors and numbers in the studio restricted.

#### Objectives

Given the ongoing Covid-19 Pandemic, the Charity's objectives over the next reporting period from 01 May 2021 to 30 April 2022 are formulated around being in a position to re-open and recover. The objectives include:

- Retain staff by utilising the government Job Retention Scheme
- Apply for all appropriate Covid-19 support grants and business support loans
- Comply with and install Covid-19 prevention measures for visitors and staff
- To progress the Charity's application for Accreditation with Arts Council England
- To develop and further the acquisition of content, objects and artefacts to place on display

To measure success, the Trustees will set the following KPI's:

- Increase the Lead Ticket Price to £16
- Continue new Gift Aid admission model by offering all eligible ticket purchasers a 12-month ticket and ability to Gift Aid their admission ticket with the aim of increasing this revenue line by 200% over the previous period.
- Implement the Trade Doubler Affiliates Scheme
- Number of new exhibits obtained and displayed (2)
- Apply for round three of CRF
- Apply for a minimum of one ACE support grant

# THE BRITISH MUSIC EXPERIENCE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2021**

---

At the point in time of approval of this report, the Trustees are of the opinion that the Charity will be able to meet any current and future obligations as they fall due for at least twelve months from the date of approval of these financial statements. These financial statements have therefore been prepared on a going concern basis.

### **Creditor payment policy**

The Charity's policy, in relation to all its suppliers, is to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms provided that it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Charity does not follow any code or standard on payment practice.

### **Employees**

Applications for employment of disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The charity places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

### **Financial Review and Results for the year**

The Statement on Financial Activities set out on page 8, shows the following results for the year.

#### Income Generation

Income generated by the Charity during the year ended 30 April 2021 was £483,626 (2020: £763,562).

#### Resources Expended

Total resources expended by the Charity during the year ended 30 April 2021 amounted to £544,945 (2020: £771,854).

#### Reserves

The Trustees do not have a formal reserves policy at this time since the main objective was re-homing the Museum and taking over the operations in Liverpool. Since this was achieved, reserves were being spent to secure the start-up attraction and sustainable future for the Museum. Due to the Covid-19 crisis, the Charity will utilise reserves where necessary to start up operations when restrictions are lifted. The total reserves of the Charity were £368,234 (2020: £429,553) at the end of the year. The reserves held by the Charity are for the purposes of supporting the Museum and providing a cash flow reserve for operating expenses.

### **Public Benefit Declaration**

The Trustees confirm that they have had regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and setting goals for the year.

In particular, those benefitting from the Charity's work are:

- The general visiting public – all those for whom the overall history and specific examples of British popular music are of interest and/or educational value;
- Those in formal education and their teacher(s)
- Artists and others working in the music industry
- The local community – particularly disadvantaged young people
- Young professionals and higher education students who participate in internships and work experience opportunities
- International tourists who learn about the UK through Popular Music
- The staff of the Museum and the wider opportunities in the arts and cultural sector BME's employment offers.

## **THE BRITISH MUSIC EXPERIENCE**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 30 APRIL 2021***

---

In response to the needs of these groups we have developed the education and public programmes both of which foster links with the music, education and museum sectors, inspiring interest and engagement with the industry.

The trustees' report was approved by the Board of Trustees.

H Goldsmith CBE  
**Trustee**

20 January 2022



## **THE BRITISH MUSIC EXPERIENCE**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 30 APRIL 2021***

---

The Trustees, who are also the directors of The British Music Experience for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law 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, including the income and expenditure, of the charitable company for that year.

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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate 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 Companies Act 2006. They 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 BRITISH MUSIC EXPERIENCE

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE BRITISH MUSIC EXPERIENCE

---

I report to the Trustees on my examination of the financial statements of The British Music Experience (the Charity) for the year ended 30 April 2021.

#### **Responsibilities and basis of report**

As the Trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

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

Since the Charity'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 ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no 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 the Charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

Simon Evans FCA  
Lewis Evans Partnership LLP

The Oaks  
3 Village Road  
West Kirby  
Wirral  
CH48 3JN

Dated: 20 January 2022

# THE BRITISH MUSIC EXPERIENCE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<b>Income and endowments from:</b>							
Donations and legacies	3	96,214	307,045	403,259	-	63,849	63,849
Charitable activities	4	64,632	-	64,632	371,383	-	371,383
Other trading activities	5	15,735	-	15,735	221,037	-	221,037
Other income	6	-	-	-	107,293	-	107,293
<b>Total income</b>		<b>176,581</b>	<b>307,045</b>	<b>483,626</b>	<b>699,713</b>	<b>63,849</b>	<b>763,562</b>
<b>Expenditure on:</b>							
Raising funds	7	16,796	81,499	98,295	200,548	10,217	210,765
Charitable activities	8	221,104	225,546	446,650	507,457	53,632	561,089
<b>Total resources expended</b>		<b>237,900</b>	<b>307,045</b>	<b>544,945</b>	<b>708,005</b>	<b>63,849</b>	<b>771,854</b>
<b>Net expenditure for the year/ Net movement in funds</b>		<b>(61,319)</b>	<b>-</b>	<b>(61,319)</b>	<b>(8,292)</b>	<b>-</b>	<b>(8,292)</b>
Fund balances at 1 May 2020		429,553	-	429,553	437,845	-	437,845
<b>Fund balances at 30 April 2021</b>		<b>368,234</b>	<b>-</b>	<b>368,234</b>	<b>429,553</b>	<b>-</b>	<b>429,553</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE BRITISH MUSIC EXPERIENCE

## BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	12		353,326		475,067
<b>Current assets</b>					
Stocks	13	4,106		-	
Debtors	14	78,771		29,411	
Cash at bank and in hand		88,898		47,819	
		<u>171,775</u>		<u>77,230</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(111,867)</u>		<u>(122,744)</u>	
Net current assets/(liabilities)			59,908		(45,514)
<b>Total assets less current liabilities</b>			413,234		429,553
<b>Creditors: amounts falling due after more than one year</b>	17		(45,000)		-
<b>Net assets</b>			<u>368,234</u>		<u>429,553</u>
<b>Income funds</b>					
Unrestricted funds			368,234		429,553
			<u>368,234</u>		<u>429,553</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 April 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 20 January 2022

H Goldsmith CBE

**Trustee**

**Company Registration No. 06364836**

# THE BRITISH MUSIC EXPERIENCE

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 APRIL 2021**

---

### **1 Accounting policies**

#### **Charity Information**

The British Music Experience is a registered charity and private company limited by guarantee incorporated in England and Wales. The registered office is One Bartholomew Close, London, EC1A 7BL.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. While trading certainty has been seriously interrupted by Covid-19, the Museum has received notification of success for round three of Cultural Recovery Funds through the Heritage Lottery Fund and has an additional pending grant application with Liverpool City Council's Trading On programme. The Museum is currently benefitting from a Business Rates discount and a reduced VAT rate of 12.5%. The Charity currently holds unrestricted cash reserves which reflect over three months of operating costs.

Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Income**

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from government grants and contracts is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants and contracts have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from ticketing sales and events is recognised at the fair value of the consideration received or receivable and is shown net of VAT.

Income from catering and retail represents the value of goods sold net of VAT.

# THE BRITISH MUSIC EXPERIENCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Liabilities are recognised as expenditure once there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated to the charitable activity in the statement of financial activities.

Governance costs include those costs incurred in the governance of the charity's assets and are primarily associated with constitutional and statutory requirements.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Computers	20% straight line
Exhibition asset	Over the 7 year lease

#### 1.7 Heritage assets

Heritage assets, primarily the music related exhibitions, are not included in the accounts of The British Music Experience at any value. This is in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), which specifies that assets held in furtherance of the objects of the charity for long term preservation and for which reliable cost information is not available and conventional valuation approaches lack sufficient reliability, can be excluded from the balance sheet.

#### 1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# THE BRITISH MUSIC EXPERIENCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

---

### 1 Accounting policies

(Continued)

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

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

#### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# THE BRITISH MUSIC EXPERIENCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 1 Accounting policies

(Continued)

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees do not believe there to be any judgements or estimates that would be considered critical to the financial statements.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Restricted funds
	2021 £	2021 £	2021 £	2020 £
Grant income	96,214	307,045	403,259	63,849
<b>Grants receivable for core activities</b>				
Coronavirus job retention scheme grant funding	-	230,573	230,573	33,849
Liverpool City Council - marketing funding	-	-	-	30,000
Liverpool City Council - Covid-19 support grants	49,314	-	49,314	-
Liverpool City Council - visitor economy grant	25,000	-	25,000	-
Culture Liverpool - music industry support fund	5,000	-	5,000	-
The National Lottery Heritage Fund - Culture Recovery Fund for Heritage	16,900	76,472	93,372	-
	96,214	307,045	403,259	63,849

### 4 Charitable activities

	2021 £	2020 £
General admission and ticketing income	64,632	371,383



# THE BRITISH MUSIC EXPERIENCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Café income	8,571	144,810
Shop income	6,564	54,898
Event income	600	21,329
Other trading activities	15,735	221,037

### 6 Other Income

	Total	Unrestricted funds
	2021	2020
	£	£
Reversal of net liability	-	107,293

In November 2020 the Trustees received confirmation from liquidators that an amount previously included in trade creditors of £209,751 and an associated trade debtor balance of £81,000 would neither be payable nor receivable by the Charity.

As this provided further evidence of conditions existing at the prior year end date, the net figure was adjusted for as income in the accounts for the prior year, excluding applicable VAT.

### 7 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
<u>Trading costs</u>						
Cost of goods sold in shop and cafés	3,486	-	3,486	85,319	-	85,319
Event expenses	344	-	344	3,798	-	3,798
Staff costs	12,966	81,499	94,465	111,431	10,217	121,648
Trading costs	16,796	81,499	98,295	200,548	10,217	210,765
	16,796	81,499	98,295	200,548	10,217	210,765

# THE BRITISH MUSIC EXPERIENCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 8 Charitable activities

	2021 £	2020 £
Staff costs	226,352	253,912
Depreciation	122,073	122,006
Storage	1,200	1,470
Exhibition costs	16,539	41,314
Income consultancy expenses	1,713	15,987
Advertising and promotional	1,218	13,899
Credit card charges	4,064	8,724
	<u>373,159</u>	<u>457,312</u>
Share of support costs (see note 9)	69,478	99,601
Share of governance costs (see note 9)	4,013	4,176
	<u>446,650</u>	<u>561,089</u>
<b>Analysis by fund</b>		
Unrestricted funds	221,104	507,457
Restricted funds	225,546	53,632
	<u>446,650</u>	<u>561,089</u>

# THE BRITISH MUSIC EXPERIENCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 9 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Professional costs	7,200	-	7,200	4,797	-	4,797
Other costs	106	-	106	-	-	-
Secondment and exhibition support	146	-	146	388	-	388
Insurances	8,309	-	8,309	8,133	-	8,133
Licences and royalties	16,391	-	16,391	19,987	-	19,987
IT software and consumables	7,897	-	7,897	13,719	-	13,719
Rent and rates	9,990	-	9,990	23,368	-	23,368
Cleaning and maintenance	3,967	-	3,967	10,975	-	10,975
Accountancy	7,709	-	7,709	9,599	-	9,599
Other support costs	7,763	-	7,763	8,635	-	8,635
Legal and professional fees	-	13	13	-	176	176
Independent examination fees	-	4,000	4,000	-	4,000	4,000
	<u>69,478</u>	<u>4,013</u>	<u>73,491</u>	<u>99,601</u>	<u>4,176</u>	<u>103,777</u>
Analysed between Charitable activities	<u>69,478</u>	<u>4,013</u>	<u>73,491</u>	<u>99,601</u>	<u>4,176</u>	<u>103,777</u>

### 10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

### 11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Full time staff	14	18
Part time casual staff	5	4
Total	<u>19</u>	<u>22</u>

# THE BRITISH MUSIC EXPERIENCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 11 Employees (Continued)

Employment costs	2021 £	2020 £
Wages and salaries	301,782	350,085
Social security costs	13,587	18,895
Other pension costs	5,448	6,580
	<u>320,817</u>	<u>375,560</u>

There were no employees whose annual remuneration was more than £60,000.

### 12 Tangible fixed assets

	Computers Exhibition asset		Total
	£	£	£
<b>Cost</b>			
At 1 May 2020	1,841	851,468	853,309
Additions	332	-	332
	<u>2,173</u>	<u>851,468</u>	<u>853,641</u>
At 30 April 2021	2,173	851,468	853,641
<b>Depreciation and Impairment</b>			
At 1 May 2020	368	377,874	378,242
Depreciation charged in the year	435	121,638	122,073
	<u>803</u>	<u>499,512</u>	<u>500,315</u>
At 30 April 2021	803	499,512	500,315
<b>Carrying amount</b>			
At 30 April 2021	1,370	351,956	353,326
	<u>1,473</u>	<u>473,594</u>	<u>475,067</u>
At 30 April 2020	1,473	473,594	475,067

### 13 Stocks

	2021 £	2020 £
Finished goods and goods for resale	4,106	-
	<u>4,106</u>	<u>-</u>

# THE BRITISH MUSIC EXPERIENCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 14 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,142	12,627
Other debtors	21,535	1,738
Prepayments and accrued income	56,094	15,046
	<u>78,771</u>	<u>29,411</u>

### 15 Loans and overdrafts

	2021	2020
	£	£
Bank loans	<u>50,000</u>	<u>-</u>
Payable within one year	5,000	-
Payable after one year	<u>45,000</u>	<u>-</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>5,000</u>	<u>-</u>

The bank loan is unsecured and is on a term of 6 years, repayable in monthly instalments from November 2021. Interest is at a fixed rate of 2.5%, which is also applicable from November 2021 as the UK Government cover the interest due under the loan for the first 12 months. No repayment of capital was required during the first 12 months of the loan.

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

	Notes	2021	2020
		£	£
Bank loans	15	5,000	-
Other taxation and social security		31,731	39,211
Deferred grant income	18	32,000	-
Trade creditors		37,790	76,584
Other creditors		1,106	2,524
Accruals and deferred income		<u>4,240</u>	<u>4,425</u>
		<u>111,867</u>	<u>122,744</u>

# THE BRITISH MUSIC EXPERIENCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 17 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	15	45,000	-
		<u>45,000</u>	<u>-</u>

### 18 Deferred Income

	2021 £	2020 £
Arising from Deferred grant income	32,000	-
	<u>32,000</u>	<u>-</u>

Deferred income of £32,000 relates to a Culture Recovery Fund for Heritage grant awarded in April 2021. As there were approved project costs which were yet to be spent at the year end, and a specific grant time period and expiry date, this part of the grant has been deferred into the year ended 30 April 2022.

### 19 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	73,401	73,401
Between two and five years	106,051	182,254
	<u>179,452</u>	<u>255,655</u>

### 20 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	25,008	4,500
	<u>25,008</u>	<u>4,500</u>

During the year £Nil (2020: £297) was paid to BDB Pitmans LLP (formerly Bircham Dyson Bell) in respect of legal services, a firm in which the trustee Simon Weil was a partner in the year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.