

Charity registration number 1125752

Company registration number 06364836 (England and Wales)

THE BRITISH MUSIC EXPERIENCE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

THE BRITISH MUSIC EXPERIENCE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Weil H Goldsmith CBE K Harris OBE K McManus Sir M Featherstone-Witty S Galbraith E Koravos (Appointed 19 January 2022)
Secretary	Broadway Secretaries Limited
Charity number	1125752
Company number	06364836
Principal address	Cunard Building Liverpool Merseyside L3 1DS
Registered office	One Bartholomew Close London EC1A 7BL
Independent examiner	Simon Evans FCA Lewis Evans Partnership LLP The Oaks 3 Village Road West Kirby Wirral CH48 3JN
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP
Solicitors	BDB Pitmans LLP One Bartholomew Close London EC1A 7BL

THE BRITISH MUSIC EXPERIENCE

CONTENTS

	Page
Trustees' report	1 - 5
Statement of trustees' responsibilities	6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9 - 10
Notes to the financial statements	11 - 20

THE BRITISH MUSIC EXPERIENCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 APRIL 2022

The Board of Trustees, who are the Directors of the British Music Experience ("the Charity"), present their report for the year ended 30 April 2022 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 2021.

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 [governing document], 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 2022

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 objectives to re-open and recover following the severe risk posed by the ongoing Covid-19 pandemic. These short-term objectives included staff retention, seeking all government support measures available, implementing all aspects of the Gift Aid admissions re-structure, revise and update content in the Museum and pursue Museum Accreditation with Arts Council England.

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 part of this reporting period from 01 May to 29 May 2021 and further, the risk of the Covid 19 pandemic continued to impact cultural businesses across the UK, especially around Christmas of 2021. While there was no formal lockdown, Government guidance and the threat of the Omicron variant was detrimental to visitor confidence.

Museum footfall during the reporting period was 31,398 (5,248, 2021) comprised of mostly domestic tourists and families. However, the beginning of the return of international visitors was occurring by the end of the reporting period. Footfall has not fully recovered to pre-covid levels. The Museum celebrated again winning Experience of the Year at the Liverpool Regional Tourism Awards. The Museum was also achieved the highest accolade in tourism by winning an Award for Excellence from Visit England. 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 fifth consecutive Trip Advisor Certificate of Excellence. The Museum is also on the In-Process List 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.

THE BRITISH MUSIC EXPERIENCE

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

FOR THE YEAR ENDED 30 APRIL 2022

Operations

The Charity was able to re-open successfully following the lockdown in the beginning of 2021. BME achieved the Covid accreditation We're Good to Go and Safe Travels. As the restrictions and guidance lifted BME as gradually have returned to normal operations and all Covid signage and precautions are no longer applicable. BME had previously introduced the 12 month unlimited entry model which has been continued and has widely been praised by visitors, especially local residents as excellent value. The admissions model has benefited BME by allowing the organisation to better achieve its charitable objectives by increasing the accessibility to local residents or any visitor who can now return and learn about the collection and content as many times as they would like across a 12 month period. BME further benefits by receiving 25p for each £1 which has created an important revenue stream to support the organisational resilience and content growth and development.

Aligned with the Museum's ticketing strategy, BME increased the lead adult ticket price in the reporting period to £16.

BME participated in the Kickstarter programme and provided two individuals previously on Universal Credit with a work placement for six months. Following this period, both placements were successfully retained. BME also partnered with Strawberry Fields and have placed two individuals with disabilities into supported work experience. Both of these placements have been retained and are now employed by the Museum.

Temporary Exhibitions, Acquisitions and Loans

The Museum updated the digital content for the 2021 timeline and the BRITs pavilion. There were two temporary exhibitions hosted in the reporting period. Firstly, *Frankie Say 1984!* which celebrated the meteoric rise of the band in 1984. The exhibition was supported by extensive public programming looking back on the year 1984. Secondly, *Don't You Forget About Me: Celebrating Scottish Rock and Pop*. The temporary exhibitions are free with general admissions.

Education Programme

The Education programme saw some recovery during the reporting period however, teachers and admin reported they were primarily focussed on the return to classroom normalcy and field trips were likely to recover 2022-23. BME welcomed 38 school field trips in the period which was substantially lower than pre-covid, 76 in 2019.

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 2021-22 we hosted 22 public 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. During the reporting period we refreshed the entire offer with Gibson. The space was re-skinned with new graphics and the Gibson App was installed offering visitors a range of tutorials. New guitars replaced the old stock and new footage plays in the studio showcasing how the guitars are made.

Objectives

The Charity's objectives over the next reporting period from 01 May 2022 to 30 April 2023 are formulated in recognition the cultural landscape has not fully recovered. The objectives include:

- Increase visitation so more people enjoy the Museum content
- Apply for project grant funding from Arts Council England to support temp exhibitions and programmes
- Revise the Charity's business plan to ensure lease renewal
- Optimise the opportunities presented by Eurovision taking place in Liverpool
- 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

THE BRITISH MUSIC EXPERIENCE

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

FOR THE YEAR ENDED 30 APRIL 2022

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

- Increase footfall to 50,000 by the end of the reporting period
- Increase the Lead Ticket Price to £17, re-structure the concession ticket
- Develop the web gift aid capabilities of the website to allow declarations to be made digitally and increase Gift Aid revenue by 20%
- Curate and install two temporary exhibitions
- Host a minimum of one press event at the BME for Eurovision
- Introduce a new workshop Euro-Pop Culture which tracks the formation of Eurovision as a peace-keeping competition following WWII.

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 2022 was £723,384 (2021: £483,626).

Resources Expended

Total resources expended by the Charity during the year ended 30 April 2022 amounted to £689,256 (2021: £544,945).

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 to stabilise and recover the operation. The total reserves of the Charity were £402,362 (2021: £368,234) 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.

THE BRITISH MUSIC EXPERIENCE

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

FOR THE YEAR ENDED 30 APRIL 2022

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.

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

27 January 2023

THE BRITISH MUSIC EXPERIENCE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 APRIL 2022

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 2022.

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: 27 January 2023

THE BRITISH MUSIC EXPERIENCE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
Income from:							
Donations and legacies	3	64,218	157,010	221,228	96,214	307,045	403,259
Charitable activities	4	364,829	-	364,829	64,632	-	64,632
Other trading activities	5	137,327	-	137,327	15,735	-	15,735
Total income		566,374	157,010	723,384	176,581	307,045	483,626
Expenditure on:							
Raising funds	6	130,195	27,371	157,566	16,796	81,499	98,295
Charitable activities	7	402,051	129,639	531,690	221,104	225,546	446,650
Total expenditure		532,246	157,010	689,256	237,900	307,045	544,945
Net Income/(expenditure) for the year/							
Net movement in funds		34,128	-	34,128	(61,319)	-	(61,319)
Fund balances at 1 May 2021		368,234	-	368,234	429,553	-	429,553
Fund balances at 30 April 2022		402,362	-	402,362	368,234	-	368,234

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 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		232,356		353,326
Current assets					
Stocks	12	11,049		4,106	
Debtors	13	37,262		78,771	
Cash at bank and in hand		236,869		88,898	
		<u>285,180</u>		<u>171,775</u>	
Creditors: amounts falling due within one year	15	<u>(80,174)</u>		<u>(111,867)</u>	
Net current assets			205,006		59,908
Total assets less current liabilities			437,362		413,234
Creditors: amounts falling due after more than one year	16		(35,000)		(45,000)
Net assets			<u>402,362</u>		<u>368,234</u>
Income funds					
Unrestricted funds			402,362		368,234
			<u>402,362</u>		<u>368,234</u>

THE BRITISH MUSIC EXPERIENCE

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2022

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 2022.

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 27 January 2023

H Goldsmith CBE

Trustee

Company registration number 06364836

THE BRITISH MUSIC EXPERIENCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

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 was interrupted in this reporting period by Covid-19, the Charity has since seen a certain level of recovery in visitation and programming. The Charity also was the recipient of unrestricted cash reserve funding through the Cultural Recovery Fund Programme which adds resilience to the organisation. The planned ticketing strategy for 2023-24 and the anticipated uplift through associated events such as the Eurovision Song Contest in Liverpool adds to future confidence. 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 2022

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 2022

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 2022

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	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Grant income	64,218	157,010	221,228	96,214	307,045	403,259
Grants receivable for core activities						
Coronavirus job retention scheme grant funding	-	64,098	64,098	-	230,573	230,573
Liverpool City Council - Covid-19 support grants	49,218	-	49,218	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	15,000	79,200	94,200	16,900	76,472	93,372
Kickstart scheme funding	-	13,712	13,712	-	-	-
	64,218	157,010	221,228	96,214	307,045	403,259

THE BRITISH MUSIC EXPERIENCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

4 Charitable activities

	2022 £	2021 £
General admission and ticketing income	364,829	64,632

5 Other trading activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Café income	69,367	8,571
Shop income	54,565	6,564
Event income	13,395	600
Other trading activities	137,327	15,735

6 Raising funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Trading costs</u>						
Cost of goods sold in shop and cafés	46,340	-	46,340	3,486	-	3,486
Event expenses	3,434	-	3,434	344	-	344
Staff costs	80,421	27,371	107,792	12,966	81,499	94,465
Trading costs	130,195	27,371	157,566	16,796	81,499	98,295
	130,195	27,371	157,566	16,796	81,499	98,295

THE BRITISH MUSIC EXPERIENCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

7 Charitable activities

	2022 £	2021 £
Staff costs	246,346	226,352
Depreciation	122,287	122,073
Storage	1,300	1,200
Exhibition costs	27,421	16,539
Income consultancy expenses	7,392	1,713
Advertising and promotional	3,107	1,218
Credit card charges	8,819	4,064
	<u>416,672</u>	<u>373,159</u>
Share of support costs (see note 8)	111,213	69,478
Share of governance costs (see note 8)	3,805	4,013
	<u>531,690</u>	<u>446,650</u>
Analysis by fund		
Unrestricted funds	402,051	221,104
Restricted funds	129,639	225,546
	<u>531,690</u>	<u>446,650</u>

THE BRITISH MUSIC EXPERIENCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Professional costs	7,200	-	7,200	7,200	-	7,200
Other costs	594	-	594	106	-	106
Secondment and exhibition support	512	-	512	146	-	146
Insurances	8,073	-	8,073	8,309	-	8,309
Licences and royalties	32,523	-	32,523	16,391	-	16,391
IT software and consumables	10,007	-	10,007	7,897	-	7,897
Rent and rates	21,858	-	21,858	9,990	-	9,990
Cleaning and maintenance	11,834	-	11,834	3,967	-	3,967
Accountancy	8,023	-	8,023	7,709	-	7,709
Other support costs	10,589	-	10,589	7,763	-	7,763
Legal and professional fees	-	305	305	-	13	13
Independent examination fees	-	3,500	3,500	-	4,000	4,000
	<u>111,213</u>	<u>3,805</u>	<u>115,018</u>	<u>69,478</u>	<u>4,013</u>	<u>73,491</u>
Analysed between Charitable activities	<u>111,213</u>	<u>3,805</u>	<u>115,018</u>	<u>69,478</u>	<u>4,013</u>	<u>73,491</u>

9 Trustees

E Koravos, the Executive Director of the charity, was appointed as a Trustee in January 2022. She received remuneration as a Trustee of £10,238 (2021: £Nil).

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

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Full time staff	14	14
Part time casual staff	5	5
Total	<u>19</u>	<u>19</u>

THE BRITISH MUSIC EXPERIENCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

10 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	335,031	301,782
Social security costs	12,728	13,587
Other pension costs	6,379	5,448
	<u>354,138</u>	<u>320,817</u>

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

11 Tangible fixed assets

	Computers Exhibition asset		Total
	£	£	£
Cost			
At 1 May 2021	2,173	851,468	853,641
Additions	449	868	1,317
	<u>2,622</u>	<u>852,336</u>	<u>854,958</u>
At 30 April 2022			
Depreciation and Impairment			
At 1 May 2021	803	499,512	500,315
Depreciation charged in the year	524	121,763	122,287
	<u>1,327</u>	<u>621,275</u>	<u>622,602</u>
At 30 April 2022			
Carrying amount			
At 30 April 2022	1,295	231,061	232,356
	<u>1,370</u>	<u>351,956</u>	<u>353,326</u>
At 30 April 2021			

12 Stocks

	2022 £	2021 £
Finished goods and goods for resale	11,049	4,106
	<u>11,049</u>	<u>4,106</u>

THE BRITISH MUSIC EXPERIENCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

13 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	6,688	1,142
Other debtors	8,478	21,535
Prepayments and accrued income	22,096	56,094
	<u>37,262</u>	<u>78,771</u>

14 Loans and overdrafts

	2022	2021
	£	£
Bank loans	<u>45,000</u>	<u>50,000</u>
Payable within one year	10,000	5,000
Payable after one year	<u>35,000</u>	<u>45,000</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>-</u>	<u>5,000</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.

15 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	14	10,000	5,000
Other taxation and social security		18,589	31,731
Deferred income		5,811	32,000
Trade creditors		33,335	37,790
Other creditors		2,822	1,106
Accruals and deferred income		9,617	4,240
		<u>80,174</u>	<u>111,867</u>

THE BRITISH MUSIC EXPERIENCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	14	35,000	45,000

17 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:

	2022 £	2021 £
Within one year	121,847	73,401
Between two and five years	97,993	106,051
	<u>219,840</u>	<u>179,452</u>

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	29,485	25,008

The key management personnel remuneration was paid to the Executive Director.

During the year £305 (2021: £Nil) was paid to BDB Pitmans LLP 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.