

Charity Registration No. 1165094

Company Registration No. 09158621 (England and Wales)

BICMP T/A RESONANCE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

BICMP T/A RESONANCE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr C Cronin	
	D D Barnard	
	N O York	(Appointed 5 November 2020)
	T P Millichip	(Appointed 3 November 2020)
	A L M Curran	(Appointed 5 November 2020)
	Mr J L Penn	(Appointed 23 November 2020)
	Mrs S Shorrod	(Appointed 15 December 2020)
Charity number	1165094	
Company number	09158621	
Principal address	Cable Plaza Waterfront West Brierley Hill West Midlands DY5 1LW	
Registered office	Gardeners Cottage Croome D'Abitot Severn Stoke Worcester WR8 9DW	
Auditor	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	

BICMP T/A RESONANCE

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BICMP T/A RESONANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their report and financial statements for the year ended 31 August 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 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)".

Objectives and activities

Purposes and aims

BICMP (hereafter referred to as the 'Trust') is a registered Charity (number: 1165094) and Company limited by guarantee (number: 9158621) was formed in accordance with the Charities Act 2011 and the Companies Act 2006 respectively. Our purpose is to establish a world-class music institute at university level called 'Resonance', specialising in contemporary music performance, education, composition, entrepreneurship and production.

The Trust's objects are the advancement of education for the public benefit by promoting and supporting education, teaching and research in contemporary music and production.

Our Mission

- We are committed to the establishment of an outstanding, dynamic and meaningful learning experience, relevant to today's and tomorrow's music industry.
- We seek to transform students' lives by empowering them to excel in their endeavours with confidence and integrity, determination and joy. We will do this by placing the student and their educational experience at the heart of everything we do.
- On graduating, our students will be admired and sought after for their musical skills, knowledge and understanding, experience, entrepreneurship and professionalism.

In pursuing our mission, our aims are:

- to establish and maintain a culture of excellence, innovation and enterprise in everything we do;
- to ensure that programmes of study are informed by the latest educational research and best pedagogical practice, relevant to the world of work, and fit for purpose in a rapidly changing world;
- to encourage all students and staff to be inquirers, critical-thinkers, communicators and risk-takers, as well as principled, open-minded, caring, balanced and reflective;
- to understand and support each and every student as an entire human being, paying due cognisance to their physical, cognitive and emotional needs;
- to cultivate an environment of respect for personal, social, religious and cultural differences;
- to deliver a programme of extra-curricular opportunities designed to broaden and develop an awareness of the wider world, other cultures and peoples;
- to recruit, support, develop and retain excellent teaching and operational staff;
- to engage with parents/guardians, alumni, industry partners, the local and international community, in supporting and developing the work of the Trust.

BICMP T/A RESONANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2020**

The Trust is committed to using its best endeavours and resources to ensure that all activities are governed by the principles of equal opportunity, whereby no person by reason of religious belief, political opinion, gender, marital status, race, colour, ethnic origin, sexual orientation or disability is treated less favourably or disadvantaged in any way. This statement applies to recruitment and admissions, to the curriculum, teaching and learning, staff development and training; in short, to every aspect of our work together.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

This year started with great promise. The restoration and re-design of Cable Plaza was going very well and was on target in terms financial management and completion. The quality of Overbury's work (the Trust's appointed contractor) was outstanding giving confidence to the claim that Cable Plaza was destined to become a world-class venue for music education and the arts.

The process for recruiting students started in September 2019 and required the co-ordination and synchronisation of various activities, for example:

- Design and launch of the Resonance website www.resonance-edu.org
- Design and publication of promotion leaflets and a prospectus
- The Resonance Roadshow – with 30 events planned in colleges of further education
- Appointment of staff in readiness for the September 2020 start
- Open Days and college visits
- Industry engagement from Marshall, Roland, Focusrite, Yamaha, Casio and others in support our employability agenda
- Community partnerships with Black Country Radio, Dudley Performing Arts Service, Red by Night, Drake Music, Music Therapy Works and others.

There was every reason to be optimistic. The Roadshows started well and the response from students was extremely positive with over 800 students aged 16-19 registering for further details. Media coverage exceeded expectations with strong local coverage, regional radio and TV (both BBC and ITV).

Unfortunately, the COVID pandemic hit us hard and required a new strategy. The building was essentially shut, Open Days became virtual and all other engagement activities were postponed. The introduction of online resources to maintain contact with colleges was effective, however recruitment suffered significantly, falling short of our projected target. Despite this, Solent University gave the go-ahead to launch two degrees: Popular Music Performance and Popular Music Performance and Production, to start in September 2020.

In terms of personnel, the Director nominated as the Trust's future CEO was hospitalised having suffered a stroke. He subsequently stepped down from this role but remains a trustee.

Beneficiaries

During this period, the Trust has not provided any teaching provision. Once established, the key beneficiaries will be students aged 18 to 21, and community groups (of various ages) from the local area and beyond.

BICMP T/A RESONANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2020**

Financial review

With funding commitments in place, the bulk of expenditure was claimable against grant aid, or the loan provided by Unity Trust Bank. The LEP grant provides 77.57% of the amounts claimed. The remainder (22.43%) is funded from Unity Trust Bank via the loan facility. Expenditure detailed in this report relates to professional services, e.g. design work, project management and legal fees, and building works.

Principal risks and uncertainties

The previous steering group chaired by the Dudley New Heritage Company was dissolved with the appointment of Turner & Townsend Limited as project managers. Their primary role was to supervise and risk-manage the restoration of Cable Plaza. They in turn reported to the company directors listed in this report who monitored the following areas of risk:

- Changes to government policy
- Failure to comply with the terms set-out by the Black Country LEP
- The relationship with Solent University
- Student recruitment
- Overall budget management

Reserves policy and going concern

The Trust has sufficient unrestricted reserves through short term loans and bank overdraft facilities and further secured grant funding to fund trading activities through to the end of the financial year on the 31st of August 2022. Cash reserves are secured by a strong balance sheet and other restricted reserves. A further grant application for £537k is currently being sought. If successful, this will result in an uplift of £129K to reserves.

Fundraising

Plans for 2020/21 include appointing a fundraising specialist to advise trustees on various funding opportunities. With the academic programme now established, the focus will be in developing the Trust's community purpose.

Plans for the future

Plans for the future include:

- College visits and Open Days to Cable Plaza to attract students
- Roll-out of the community music programme (Covid permitting) starting with Weekend Warriors
- A post-Covid launch event
- Full integration of Black Country Radio
- Full integration of Dudley Performing Arts Service
- Launching a Saturday Music School

BICMP T/A RESONANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management

The Trust will be governed by a non-executive Board of Trustees recruited from the music industry, education and business sectors, who share the same values and aspirations for providing a world-class education. Each trustee will act as a mentor to senior officers of the Trust.

The Board, which meets a minimum of three times a year, will be responsible for two legal entities: 'BICMP' a registered charity (for the purposes of education, research and training) and at a future date 'BICMP Enterprises' (formed as a company limited by guarantee to provide a range of commercial services), in compliance with their objects and governing documents. This responsibility includes:

- preparing and submitting annual reports and accounts;
- using its charitable funds and assets wisely to further its charitable aims;
- avoiding unnecessary risks with regard to asset and property management, funds and reputation;
- taking appropriate care and advice when investing or borrowing money.

Day-to-day operations and teaching will be the responsibility of employed staff, reporting to an executive Management Team.

The Trust's organisational structure consists of four divisions:

- **Senior Management Team** – reporting to the Board responsible for the day-to-day operational management of the Trust, including delivery, quality control, pastoral care and compliance.
- **Teaching and Learning** - responsible for all matters concerning teaching and learning, assessment, work experience, quality control, pastoral care, career development, progression, and more. Essentially, the buck stops here with regard to the students' learning and experiential journey.
- **Enterprise and Partnerships** - a key driver for enterprise and entrepreneurship. Its activities have two primary functions: (i) to enhance the learning experience for students, and (ii) to generate income through a diverse programme of activities.
- **Finance and Operations** - essential in making everything happen at the right time, in the right place and within budget. Our university partner will guide the Trust through this process to ensure that all systems are fit for purpose with regard to quality control, student data reports and other statutory/compliance requirements. This may include using Solent University's data systems and seconded staff (on an interim basis).

The Board will also be responsible for appointing members to two non-executive advisory groups (invited by the Chairman or CEO):

- **Ambassadors** – prominent musicians, educators, producers, promoters, managers, agents, composers and entrepreneurs;
- **Industry partners** – leading manufacturers, publishers, record companies, tour companies, trade associations, and other industry providers.

These groups will advise the Board, CEO and senior managers on matters relating to industry practice and ensure that the Trust's programmes of study are up-to-date and fit for purpose. It is our intention that both groups will assist the Board in raising funds for the Trust's bursary scheme, which will provide scholarships and financial support to students from low-income families.

The organisation is a charitable company limited by guarantee, incorporated on 1 August 2014 and registered as a charity on 8 January 2016.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

BICMP T/A RESONANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr C Cronin	
Mr R Benton	(Resigned 21 November 2020)
D D Barnard	
N O York	(Appointed 5 November 2020)
T P Millichip	(Appointed 3 November 2020)
A L M Curran	(Appointed 5 November 2020)
Mr J L Penn	(Appointed 23 November 2020)
Mrs S Shorrod	(Appointed 15 December 2020)

Appointment of trustees

Trustees will serve a minimum term of three years, with a maximum term of no more than six years. Trustees will step down on a rotational basis to ensure continuity. All new trustee posts will be advertised in accordance with the Trust's Equal Opportunities Policy. At the outset, it is our intention to recruit trustees with a broad range of skills and knowledge, which enhance and add value to the current professional team.

Succession planning will form part of the Trust's risk management strategy and will include all non-executives (trustees), staff and key voluntary positions. Succession planning is a fundamental responsibility of the Board and is critical to the ongoing health and vitality of the Trust.

Trustee induction and training

All trustees will receive an annual induction course and regular training to ensure that they are fully aware of their legal obligations under the law. For internal purposes (for matters relating to students, staff and community activities) training will be provided by the Chief Executive and/or his/her appointed representative. Matters relating to employment law, finance, compliance, health & safety and other generic topics will be delivered by guest speakers.

All policies and procedures will be set out in the trustee handbook as recommended by the Charity Commission. This will include:

- effective meetings
- strategic leadership
- compliance
- good governance
- financial planning and management
- people
- operational management
- communications
- managing change
- measuring impact
- social investment

BICMP T/A RESONANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Related parties and relationships with other organisations

The Trust has worked with a number of organisations this year in order to achieve its targets and obligations. These include:

- Dudley New Heritage Company
- John Plumridge – property consultant
- Turner & Townsend – quantity surveyors and project managers
- Dudley Council
- Wolverhampton Council
- Walsall Council
- Black Country LEP
- Gleeds – auditors for Wolverhampton Council and Unity Bank
- Unity Bank
- FRP – financial consultants
- NESTA – community social impact
- Word Service Marketing – marketing and PR
- Total Solutions Group – financial services and sponsor for Roadshow events
- Shark design – website and printed copy design
- The Musicians' Union – main sponsor for Roadshow events
- Industry partners – Roland, Marshall, Focusrite
- Neil Willies – insurance consultants
- Dudley College

Auditor

CK Audit were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

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



D D Barnard

Trustee

Dated: 8 July 2021

BICMP T/A RESONANCE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who are also the directors of BICMP T/A Resonance 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.

BICMP T/A RESONANCE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF BICMP T/A RESONANCE

Opinion

We have audited the financial statements of BICMP T/A Resonance (the 'charity') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

BICMP T/A RESONANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BICMP T/A RESONANCE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BICMP T/A RESONANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BICMP T/A RESONANCE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Wendy Davies (Senior Statutory Auditor)
for and on behalf of CK Audit

8 July 2021

Chartered Accountants
Statutory Auditor

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

CK Audit is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

BICMP T/A RESONANCE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Unrestricted funds 2020 £	Restricted funds 2019 £	Total 2019 £
Income from:						
Donations and legacies	2	172,886	2,091,928	2,264,814	-	5,067,623
Charitable activities	3	2,000	-	2,000	-	-
Total income		174,886	2,091,928	2,266,814	-	5,067,623
Expenditure on:						
Raising funds	4	66,571	-	66,571	28,559	28,559
Charitable activities	5	401,742	-	401,742	188,858	188,858
Total resources expended		468,313	-	468,313	217,417	217,417
Net (expenditure)/income for the year/ Net movement in funds		(293,427)	2,091,928	1,798,501	(217,417)	4,850,206
Fund balances at 1 September 2019		(497,867)	5,067,623	4,569,756	(280,450)	(280,450)
Fund balances at 31 August 2020		(791,294)	7,159,551	6,368,257	5,067,623	4,569,756

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.

BICMP T/A RESONANCE

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	8	28,392		-	
Tangible assets	9	9,182,441		5,307,412	
		<u>9,210,833</u>		<u>5,307,412</u>	
Current assets					
Debtors	11	94,625		1,020,185	
Cash at bank and in hand		-		323,392	
		<u>94,625</u>		<u>1,343,577</u>	
Creditors: amounts falling due within one year	13	<u>(654,951)</u>		<u>(665,977)</u>	
Net current (liabilities)/assets			(560,326)		677,600
Total assets less current liabilities			<u>8,650,507</u>		<u>5,985,012</u>
Creditors: amounts falling due after more than one year	14		(2,282,250)		(1,415,256)
Net assets			<u><u>6,368,257</u></u>		<u><u>4,569,756</u></u>
Income funds					
Restricted funds		7,159,551		5,067,623	
Unrestricted funds		(791,294)		(497,867)	
		<u>6,368,257</u>		<u>4,569,756</u>	

The financial statements were approved by the Trustees on 8 July 2021



D D Barnard
Trustee

Company Registration No. 09158621

BICMP T/A RESONANCE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	18	2,387,543		4,262,129	
Investing activities					
Purchase of intangible assets		(28,392)		-	
Purchase of tangible fixed assets		(3,875,029)		(5,307,412)	
Net cash used in investing activities		(3,903,421)		(5,307,412)	
Financing activities					
Proceeds from borrowings		300,000		-	
Repayment of borrowings		(5,000)		(63,622)	
Proceeds of new bank loans		698,759		1,355,876	
Net cash generated from financing activities		993,759		1,292,254	
Net (decrease)/increase in cash and cash equivalents		(522,119)		246,971	
Cash and cash equivalents at beginning of year		323,392		76,421	
Cash and cash equivalents at end of year		(198,727)		323,392	
Relating to:					
Cash at bank and in hand		-		323,392	
Bank overdrafts included in creditors payable within one year		(198,727)		-	

BICMP T/A RESONANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Charity information

BICMP T/A Resonance is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is Gardeners Cottage, Croome D'Abitot, Severn Stoke, Worcester, WR8 9DW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's 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)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The charity has been affected by the Covid pandemic which has had an impact on the ability to recruit students in line with original projections. The directors have secured grant funding of £350,000 and have negotiated an extension to their overdraft facility until September 2023 which will support the cash flow requirements in the short term. In addition, stakeholders have agreed to a 12 month capital holiday on long term loans. 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. 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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

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

Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose. This includes the costs associated with marketing the charity to its' potential future beneficiaries.

BICMP T/A RESONANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Website Development Costs	33% Straight Line
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Amortisation will commence in the next financial year when the charity is operational.

1.7 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 bases:

Leasehold land and buildings	0.67% - 2% straight line
Leasehold improvements	5% straight line
Fixtures and fittings	10% - 25% straight line
Sound Equipment	10% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Depreciation will start to be provided when the assets are bought in to use.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

BICMP T/A RESONANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

1.11 Loans

Arrangement fees were paid up front at the start of the loan agreement and have been recognised as a prepayment to spread over the length of the loan. Interest is charged on a monthly basis during the interest-only period of the bank loan.

BICMP T/A RESONANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Restricted funds
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	12,888	-	12,888	-
Local Authority Grants	-	2,091,928	2,091,928	5,067,623
Donated goods and services	159,998	-	159,998	-
	<u>172,886</u>	<u>2,091,928</u>	<u>2,264,814</u>	<u>5,067,623</u>

3 Charitable activities

	2020 £	2019 £
Other income	<u>2,000</u>	<u>-</u>

BICMP T/A RESONANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

4 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	66,571	28,559
	<u>66,571</u>	<u>28,559</u>

5 Charitable activities

	2020	2019
	£	£
Share of support costs (see note 6)	394,542	181,659
Share of governance costs (see note 6)	7,200	7,199
	<u>401,742</u>	<u>188,858</u>

BICMP T/A RESONANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Rent and rates	38,439	-	38,439	76,806	-	76,806
Legal and professional fees	38,039	-	38,039	34,367	-	34,367
Bank charges	6,585	-	6,585	22,688	-	22,688
Loan interest	83,353	-	83,353	21,641	-	21,641
Insurance	29,640	-	29,640	12,905	-	12,905
Consultancy fees	22,426	-	22,426	7,468	-	7,468
Heat, light and power	62,386	-	62,386	3,617	-	3,617
Site security and maintenance	110,909	-	110,909	1,956	-	1,956
Printing, postage and telephone	1,763	-	1,763	168	-	168
Other expenses	1,002	-	1,002	43	-	43
Audit fees	-	7,200	7,200	-	7,199	7,199
	<u>394,542</u>	<u>7,200</u>	<u>401,742</u>	<u>181,659</u>	<u>7,199</u>	<u>188,858</u>
Analysed between						
Charitable activities	<u>394,542</u>	<u>7,200</u>	<u>401,742</u>	<u>181,659</u>	<u>7,199</u>	<u>188,858</u>

Governance costs includes payments to the auditors of £7,200 (2019- £7,200) for audit fees.

7 Trustees

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

BICMP T/A RESONANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

8 Intangible fixed assets

Website Development Costs £

Cost

At 1 September 2019	-
Additions - internally developed	28,392
At 31 August 2020	28,392

Amortisation and impairment

At 1 September 2019 and 31 August 2020	-
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Carrying amount

At 31 August 2020	28,392
At 31 August 2019	-

9 Tangible fixed assets

	Leasehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Sound Equipment £	Total £
Cost					
At 1 September 2019	3,681,848	1,625,564	-	-	5,307,412
Additions	-	3,693,760	156,390	24,879	3,875,029
At 31 August 2020	3,681,848	5,319,324	156,390	24,879	9,182,441
Carrying amount					
At 31 August 2020	3,681,848	5,319,324	156,390	24,879	9,182,441
At 31 August 2019	3,681,848	1,625,564	-	-	5,307,412

10 Financial instruments

2020 £

2019 £

Carrying amount of financial liabilities

Measured at fair value through profit or loss		
- Non-derivatives that are not part of a trading portfolio	2,689,740	1,492,254

BICMP T/A RESONANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

11 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	-	965,780
Prepayments and accrued income	94,625	54,405
	<u>94,625</u>	<u>1,020,185</u>

12 Loans and overdrafts

	2020 £	2019 £
Bank overdrafts	198,727	-
Bank loans	1,991,013	1,292,254
Directors' loans	-	5,000
Other loans	500,000	200,000
	<u>2,689,740</u>	<u>1,497,254</u>

Payable within one year	407,490	81,998
Payable after one year	<u>2,282,250</u>	<u>1,415,256</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>1,530,903</u>	<u>651,937</u>
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On 31 May 2018, a loan agreement was made between Dudley Metropolitan Borough Council and the charity as funding towards the purchase of the Cable Plaza building. Repayments for this loan will be paid over a period of 60 months.

A loan agreement with Unity Trust Bank was taken out on 25 June 2018. Interest is charged at a rate of 3.25%. Repayments for the loan are made on an interest only basis until September 2020. Servicing costs incurred are debited to the servicing account when payable. Capital repayments for this loan are due to commence on September 2020, for a period of 210 months. The loan with Unity Trust Bank has been secured on the leasehold property, Cable Plaza.

During there was a drawdown of a loan from Arts Impact of £300,000. This loan is unsecured and interest is charged at a rate of 7% per annum. Repayments for the loan are on an interest only basis until June 2021.

BICMP T/A RESONANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	12	284,875	41,998
Other borrowings		122,615	40,000
Trade creditors		84,395	4,655
Accruals and deferred income		163,066	579,324
		<u>654,951</u>	<u>665,977</u>

14 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	12	1,904,865	1,250,256
Other borrowings		377,385	165,000
		<u>2,282,250</u>	<u>1,415,256</u>

15 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Unrestricted funds 2020 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 August 2020 are represented by:					
Intangible fixed assets	28,392	-	28,392	-	-
Tangible assets	2,022,890	7,159,551	9,182,441	-	5,307,412
Current assets/ (liabilities)	(560,326)	-	(560,326)	(288,180)	965,780
Long term liabilities	(2,282,250)	-	(2,282,250)	(209,687)	(1,205,569)
	<u>(791,294)</u>	<u>7,159,551</u>	<u>6,368,257</u>	<u>(497,867)</u>	<u>4,569,756</u>

16 Related party transactions

Transactions with related parties

During the year to 31 August 2020, R Benton, who was a trustee until 21 November 2020, provided consultancy services to BICMP at a cost of £23,130 (2019 £24,064). Payments to trustees for the provision of services are made in accordance with the Articles of Association.

BICMP T/A RESONANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Related party transactions

(Continued)

One trustee, C Cronin gave a personal guarantee to the £200k loan with Dudley Metropolitan Council. This guarantee expired on 9 December 2019, the date the fit-out of the Cable Plaza building was completed.

17 Operating lease commitments

A service charge is paid on a quarterly basis in advance, in relation to the 150 year leasehold of Cable Plaza building. The annual charge amounts to £66,000.

18 Cash generated from operations	2020 £	2019 £
Surplus for the year	1,798,501	4,850,206
Movements in working capital:		
Decrease/(increase) in debtors	925,560	(1,005,021)
(Decrease)/increase in creditors	(336,518)	416,944
Cash generated from operations	2,387,543	4,262,129

19 Analysis of changes in net (debt)/funds

	At 1 September 2019 £	Cash flows	Acquisitions and disposals £	At 31 August 2020 £
Cash at bank and in hand	323,392	(323,392)	-	-
Bank overdrafts	-	(198,727)	-	(198,727)
	<u>323,392</u>	<u>(522,119)</u>	<u>-</u>	<u>(198,727)</u>
Loans falling due within one year	(81,998)	173,235	(300,000)	(208,763)
Loans falling due after more than one year	(1,415,256)	(866,994)	-	(2,282,250)
	<u>(1,173,862)</u>	<u>(1,215,878)</u>	<u>(300,000)</u>	<u>(2,689,740)</u>