

INNER CITY MUSIC LIMITED

England & Wales · Charity number 516351

Details

Status Registered

Legal form Charitable company

Company number [01893979](#)

Registered 1985-04-15

Register [View on the Charity Commission register](#)

Contact

Address C/o Band on the Wall
27 Swan St
Northern Quarter
Manchester
M4 5JZ

Phone 01618303895

Email info@bandonthewall.org

Website www.bandonthewall.org

Activities

Objects: Article 4:4. The charity's objects ('Objects') are specifically restricted to the following: For the public benefit for people in the UK to advance education in music, in particular but not exclusively by: a) Facilitating the presentation of musical works and performances of the highest skill and artistic merit and especially meritorious works and performances of culturally diverse music and promoting performances, concerts and events; b) Providing educational events, training courses and workshops; and c) Providing facilities and resources to enable the creation of music.

Activities: I C M presents a range of music and related education activities at its Manchester Venue Band on the Wall. Other local charities utilise space and facilities at reduced rates. The building re-opened in September 2009 following extensive renovation, and now incorporates meeting rooms, office facilities, music venue, workshop space and the provision of food and drink.

Classification

- **How:** Provides Services, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** THE CITY OF MANCHESTER AND ELSEWHERE
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,100,544	£3,067,069	£4,593,806	75
2024-03-31	£2,981,190	£3,052,527	£4,610,127	57
2023-03-31	£2,667,408	£2,407,287	£4,681,464	56
2022-03-31	£3,731,408	£1,283,794	£4,771,343	17
2021-03-31	£1,635,935	£850,655	£2,323,730	27

Trustees

Name	Role	Appointed
STEPHEN SORRELL	Chair	2017-03-20
GAVIN SHARP		2011-06-20
Julian Curnuck		2016-03-21
KAREN GABAY		2016-12-19
Kate Campbell-Green		2024-06-03
LISA ASHURST		2015-12-17
Stephen Morgan		2025-12-15

INNER CITY MUSIC LIMITED

England & Wales - Charity number 516351

Accounts

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

Company Registration Number 1893979
Charity Number 516351

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Financial Statements
Year ended 31 March 2025

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INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Company Information

31 March 2025

Registered charity name:	Inner City Music
Company registration number:	1893979
Charity number:	516351
Principal address:	25 Swan Street Manchester M4 5JZ
Trustees:	S Sorrell (Chair) L Ashurst J Curnuck G Sharp K Gabay K Campbell-Green (appointed 3 rd June 2024)
Auditors:	Mitchell Charlesworth (Audit) Limited Statutory Auditors 3 rd Floor 44 Peter Street Manchester M2 5GP
Bankers:	The Co-operative Bank plc 1 Balloon Street Manchester M4 4BE

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report

Year ended 31 March 2025

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

Purposes and Activities

Over the last year we have continued to embed our revised mission into our activities, supplementing our venue programme with external events and tours, while also continuing to develop the revised business model within the trading activity within Band on the Wall. Most significantly this has included purchasing the lease for The Rose & Monkey Hotel, the small but successful pub with beer garden and AirB&B rooms immediately adjacent to Band on the Wall (The Copper Bar), mitigating the risk of noise complaints from a future adjacent neighbour.

However, it is our learning and engagement programmes which have really grown and flourished over the last 12 months. As our fully funded (NLHF) 'World of Song' project got under way (referenced in last years exec summary), it has animated the building with activity and impacted on a significant number of lives. Working in partnership with CAN (Community Arts Northwest) we have built bridges into many of Manchester's newest communities through a range of music sub-projects focussing on different groups including young families, a youth band and recently arrived creatives and artists. In addition our partnership with The Manchester College goes from strength to strength, our Saturday Morning Music Club (Oglesby Charitable Trust funded) is almost at capacity and all our other subscription programmes continue to be well supported.

All these programmes use music and its power to engage, inspire and unify. In our venue Band on the Wall and through our wider programmes and activities, we enable all people to discover, explore, enjoy, and participate in the best music from around the world.

Our strategy to expand reach and develop new audiences and provide performance opportunities for young local artists, particularly through programme in The Copper Bar, has largely been successful, but it still has great potential for growth and we continue to make efforts to attract funding and build audiences for these events.

The general shift within the main venue to a higher percentage of national/regional/local promotor hires (receiving) continues but we still produced over one hundred of our own showcase programme in the main venue, shifting more events into the bar where we produced a further 104 concerts. This has improved occupancy overall and at the same time, with clear positioning and stressing a need for brand alignment with our promotor partners, maintained our clear mission focus and brand identity to the general public.

We believe that at a time when public funding is limited, and social habits continue to change, this is probably the safest strategy for the mid-term resilience of the organisation while also maintaining good programme within the main venue space.

To some extent, the conditions within the current operating environment has had an impact on our touring programme, as more national promoters start to produce tours across all venue scales and musical genres, and the serious and significant drop in funding of music tours by Arts Council England (leading to a collapsing touring market in the UK by mid-scale cultural (world / jazz / roots) artists, this area of our work has been impacted, and unless we see significant change in the coming year, this is likely to continue to be the case. While during this year our touring activity has continued to make a reasonable contribution to the charity (£85k), it is prudent to work to mitigate the impact of a further decline in this area and to continue to work to diversify and develop other income streams.

However, for our audiences there is no doubt that we continue to be seen as a unique part of the city's live music and cultural offer, showcasing music with an international outlook with quality of performance at the heart of what we do.

INNER CITY MUSIC LIMITED

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Trustees' Report (continued)

Year ended 31 March 2025

Which is to say we will continue to:

- Promote and celebrate the best music of many cultures, particularly showcasing jazz, folk, reggae, soul, Latin, afro, funk, blues and other traditional music from across the world.
- Manage and operate the iconic live music venue Band on the Wall; maintaining its local, national and international reputation as a centre of excellence and innovation through our world-class artistic programmes which celebrate music from across the globe, and through our commitment to support and develop the best of emerging local talent.
- Serve our local communities and musicians by delivering learning programmes that integrate our artistic programmes. These will be open to people of all ages and backgrounds in a mission to establish Band on The Wall as a central space for all the city's communities to learn about the multiple music heritages of the city.
- Champion cultural diversity and promote equality by proactively seeking to reflect our communities in our programmes, participants, audiences, workforce and governance.
- Remove physical and psychological barriers to access by providing the best possible facilities and environment for deaf and disabled people and seeking feedback to inform ongoing evaluation and improvement in this area.
- Improve public knowledge of the rich musical heritage of Band on the Wall and its importance to the social and cultural history of Manchester by providing access to our extensive archive and committing to its ongoing development.

Achievements and Performance

During the year we programmed 766 individual concerts across all venues, with 624 taking place at Band on the Wall (across both venues, often with multiple events on the same day) and 17 in other venues across the UK, resulting in 7312 ticket sales for external shows and 76751 ticket sales in Band on the Wall. Of the 624 Band on the Wall events 249 were promoted by external partners and 375 produced by ICM, with 125 of those being un-ticketed (free/education/community or partnership) events, and with most being of these being in the second bar venue. Compared to last year, we see a shift away from free events in the bar and a continued development of introducing ticketed events with small scale / emerging promoter partners.

The distribution in the main venue space was 318 events in total, with 169 produced by external promotor hires vs 149 ICM promotions, continuing the move towards receiving more events in this space to maintain high levels of occupancy. This shift in event type has worked well both in terms of utilising the second venue for experimental and progressive programme whilst also using the main space to maximise revenues and an overall contribution to the organisation.

In addition there was 93 private hires throughout the year (across all spaces) contributing in excess of £136k.

Consequently, the contribution made through hiring the venue out has continued to rise, with this income stream coming in £20k over budget contribution, while our own ticketing income has now stabilised and our core programme budget balanced.

If we remove the free and bar events from the analysis, and just look at ticketed events in the venue the average attendance was again 271 per event – a good increase from the previous year (249), something that we could see in action as we went into the Autumn season and sales significantly leapt up, and with an increased number of events overall and a more effective utilisation of the bar, this resulted in a record secondary spend in the bar. The average attendance for ticketed events in the bar was 49, lower than the previous year, but given that most of these were ticketed, which much reduced the overall cost to the venue, the overall impact and success of this model we see as being positive and we believe will continue to grow in future years.

The strategy of utilising the bar for ticketed events during the week and free events at the weekend appears to have worked overall, and we will keep on working to keep audiences growing.

The learning programmes again reached almost one thousand people with almost ten thousand individual experiences and continues to grow with full utilisation of the venue, with activity taking place six days per week during term time.

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Trustees' Report (continued)

Year ended 31 March 2025

Finally, and with great sadness, we must comment on the passing of our Chief Financial Officer, Michael Craddock. Michael contributed a great deal to the organisation, most especially through the recent capital project where he was a key point of contact for the funders and project board alike. With great diligence he managed the finances of that project, despite its many complexities and he will be sorely missed by us all.

Financial review

General

While these accounts show an overall relatively small surplus, the reality is that underlying these figures we have seen a constant increase in costs which have eaten away at surpluses, which should have been much stronger given the turnover. In many ways, turnover (in excess of £3m) was exactly what we hoped for, with all areas performing well against targets, but the increased costs due to inflationary pressures, especially around staff costs and services, has been very dynamic and extremely difficult to project accurately.

This has most obviously reflected in increasing artist costs including hotels and travel, which has led to increased fee requests, which has either to be accommodated, sometimes leading to an increase in ticket prices, or on many occasions the collapse of planned tours. ACE now appears to have pulled out of covering the funding gap, a role they have consistently played through their various strategic touring programmes for many years, and which is particularly acute now due to increased costs of international touring and Brexit. As a consequence of this, the UK is increasingly being left out of many international / European tours, most particularly by new international and genuinely emerging artists early on in their career development. This has an impact as it can become difficult for bands to change the scale of touring if they try and come back to the UK later and develop the audiences they missed during earlier tours when their daily production costs have gone up even further.

Given that this has been at the core of much of our work over the last decade, as we have repeatedly broken international high-profile acts in the UK (Snarky-Puppy / Cory Wong / Lady Blackbird / Sammy Rae / Fatoumata Diawara / The Unthanks etc etc), and none of which would have been possible without ACE support in filling the early touring funding gaps, when each and all of these bands were only performing to a few hundred people, this change of policy has presented some challenges.

This does not appear to be a stated strategy of ACE, just an inadvertent withdrawal from this key role in supporting the cultural music sector which has had a huge impact, with many other organisations in our sector also being affected. Since the close of the year we have begun to have constructive conversations with ACE staff, so hope to see this situation resolved during 2025-26 with an increase in touring activity during financial year 2026-27.

However, at the time of writing, and given the collapse of ACE's online funding portal, we have had to pivot to try and deal with the loss of developing revenues as there is currently no confirmed solution in place. This includes taking on the Rose & Monkey and developing our venue management systems as possible new revenue streams where possible.

Regarding the re-statement of unrestricted funds on the balance sheet, the VAT balance in the company's trading subsidiary, Band on the Wall Trading Limited, has been re-stated as at March 2024. This has led to prior year period accounting adjustments being made within the March 2025 accounts of both Band on the Wall Trading Limited and Inner City Music Limited. The overall effect of these adjustments has been to reduce the unrestricted funds balance at March 24 within the Inner City Music Limited accounts at a Group level from £48,070 to a negative position of £1,726. This has led to a weaker balance sheet position than that reported in the previous year.

Charity

Our learning and engagement activity continues to be deeply embedded into the core of our work, with the venue in use 6 days a week and a significant amount of activity taking place across Manchester. Our NHLF funded World of Song project, working with asylum seekers and their families (many Kurdish, Afghan and Somali families) and in partnership with CAN (Community Arts Northwest) has represented a step change in our activity and embedding this work into the core of our organisational culture.

We have a number of participants from these programmes progress onto our other general activity, including our choirs, our parent and baby / toddler Friday drop ins and our flagship Saturday Music Club (supported by The Oglesby Foundation) and this really demonstrates the benefit of having a pipeline of engagement activity interconnected within the same building, and of working in partnership with other organisations, utilising shared resources and expertise, to maximise reach and impact.

Our charitable performance and learning programmes made a very small deficit against direct costs, but this was controlled and within reasonable expectations.

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Trustees' Report (continued)

Year ended 31 March 2025

Overall, taking overheads into account, the charity spent a little over £1.5m on its charitable activity, generating income of £856k and a final deficit of £679k which was covered by its commercial surpluses of the trading company.

Trading

As outlined above, trading income and the support this provided to the charity was strong during the year and we continue to work hard to maximise our commercial revenues.

Our trading subsidiary 'Band on the Wall Trading' continued to provide significant support to the parent charity, with gross surpluses against direct costs (and adjustments) of £733,190 which breaks down into:-

- £433,641 from the Band on the Wall bars
- £58,554 from the Rose & Monkey (6 months only)
- £136,210 from room rentals
- £34k from our partnership with The Manchester College,
- £84,536 from commercial touring

(Overhead charges, deficits in merch and catering reduced the overall contribution by £13,751)

Overall

The operating profit of £119,688k was reduced by loan interest charges of £25.2k and exceptional items costing £25.5k to £68,988 before depreciation and previous year adjustments.

Inner City Music continued to invest in our core purpose and did so within a controlled financial and operational framework, whilst meeting the expectations of our audiences, stakeholders and funders alike, despite the current broader economic challenges we are facing.

Overheads

Core expenditure was closely monitored and well controlled with some ongoing savings throughout the year and we took every opportunity for support as provided by all the various government schemes and initiatives, to reduce costs and liabilities. However there is no doubt that rising costs, specifically around employing staff, people and professional services; and keeping the lights on, continue to rise and increase the total overhead of the organisation, meaning that we need to constantly keep focus on the need to generate funds and build reserves going forward.

Finally, we recognise the ongoing support of Arts Council England, National Lottery Heritage Fund and the Oglesby Charitable Trust in terms of advice and financial support, without which we would not be able to fulfil our charitable remit.

Reserves policy

The purpose of the unrestricted fund is to provide funds for the day-to-day running of the charity. Should a deficit be made on a specific project, a transfer of funds will be made from the unrestricted funds to cover the deficit.

The company undertakes to maintain reserves to the value of three months' core expenditure against the costs of maintaining the staff team and company assets, principally being the property known as 'Band on the Wall'.

INNER CITY MUSIC LIMITED

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Trustees' Report (continued)

Year ended 31 March 2025

Plans for future periods

We continue to focus on the following core areas of business:

Band on the Wall

The Band on the Wall venue remains at the core of the organisation's activity with the majority of our output taking place within the spaces available. The expansion of the venue has allowed for greater resilience and stability going forward, while providing the charity with a range of additional and more flexible and well-designed spaces.

Creative Learning

This work is being significantly expanded with the development of our own internal programmes supported through NLHF. Plans are in place to continue to develop this programme and NLHF has suggested that they would look favourably on supporting a future bid to extend the programme and we have now been invited to apply for three years' support with the Oglesby Charitable trust.

Touring

Touring work has slowed during 24-25 (in comparison to 23-24 which was a remarkable year) and while we remain equipped and committed to producing events outside of Band on the Wall, until appropriate tour funding comes back on stream we will have to continue to diversify.

Streaming and Online

Our Streaming and online infrastructure is in place and used primarily as part of our Learning programmes, projects and partnership with The Manchester College, it is unlikely to become a significant income stream in the short term.

Venue Services

We are proactively looking at how we can develop and exploit our venue systems outside of the building whilst also supporting sector development and best practice in other venues.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Working name of the Charity

The working name of the Charity is Band on the Wall. The legal name of Inner City Music Limited remains unchanged.

Recruitment and appointment of Trustees

New trustees are elected by the Council in accordance with the Charity's governing document.

Trustee induction and training

The policy of Inner City Music Limited is to provide each new trustee with a copy of the Charity Commission document 'The Essential Trustee' and to provide background information about the work of the Charity at an induction session and through the updated Governance Code developed and agreed by the Board during 2012. Trustees are also encouraged to review prior documents, business and development plans, available in the ICM office and through the ICM online Board, Strategic and Staff Handbook Wiki; they are also encouraged to attend training events about charity governance.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2025

Auditors

In accordance with the company's articles, a resolution proposing that Mitchell Charlesworth (Audit) Limited be reappointed as auditor of the company will be put at a General Meeting.

Reference and administrative details

Organisation

The Directors of the charitable company (the Charity) are its Trustees for the purpose of Charity law and Directors for the purpose of Company law.

The Trustees who served the charity during the period were as follows:

Key management personnel: Trustees' and Directors

Chair:	Mr S Sorrell
Trustees:	L Ashurst
	J Curnuck
	R Jones (resigned 31 st March 2025)
	N Reed (resigned 31 st March 2025)
	G Sharp (see below)
	K Gabay
	K Campbell-Green (appointed 3 rd June 2024)

Key management personnel: Principal staff

Chief Executive:	Mr G Sharp
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The Trustees are responsible for the affairs of the charity. In particular they decide the strategic direction of the Charity and ensure that it is solvent, well-run and fulfils the aims of the Charity. They delegate day-to-day operations and activities to the Chief Executive Officer. Where there is a project of significant scale or risk - as with the ongoing capital project - they take professional advice, including employing experienced consultants and other specialists to ensure that risks are minimised and the best possible result for the Charity is achieved. Their role as employers is also taken seriously and time is given over to ensure compliance within all areas of English employment law.

Staff seek to implement the organisation's business plan currently in place and report on progress on a regular basis to the Board. Regular financial reports are provided to the Board and, when required, consultants' reports are commissioned. The Board has approved a procedure for cheque and online payments and this is implemented by the Finance Manager, Facilities and Projects Manager and CEO.

Risk management

While trading, the broader economy and sector conditions continue to be something we need to carefully monitor, we believe that it is in fact the ability to monitor and evaluate our funders objectives and remain fully compliant with their requirements, represents a risk in the longer term and one that we will be working to mitigate in the remainder of the current funding cycle.

The major risks to which the organisation is exposed, as identified by the Trustees, have been reviewed and systems implemented to mitigate those risks. The management of cash flow during the period remained a priority and despite the challenges creditors were paid as and when due or payment plans put in place. Core costs were well controlled throughout the year and systems established to manage risk.

The business model always pre-supposed an expansion of activity outside of the building and the ICM staff now have systems well established to manage events across the UK. Although this has provided growth, it also comes with risk and this has been noted by both the Trustees, including the current challenges as outlined in this executive summary.

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Trustees' Report (continued)

Year ended 31 March 2025

Risk management (continued)

Operational and event risk management is tracked through a comprehensive operational database (The Venue Dashboard), which acts as the venue diary, and is used to project income against expenditure for all events.

This system has been significantly enhanced during this financial year, due to the support provided by Innovate UK, and sits alongside and provides financial information to the financial management systems managed by the Head of Finance, producing regular management accounts. This system has also been enhanced and improved during the year, through additional investment.

An additional set of financial tools including a Daily Cash Flow and Cash under Management documents has been introduced with the pro-bono support of Urban Splash through their CEO (and ICM Trustee), Julian Curnuck, who also Chairs a monthly Finance Sub-Committee meeting.

Trustees' responsibilities in relation to the financial statements

The Charity's Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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.

Statement of disclosure to auditor

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the trustees



Julian Curnuck
Trustee

Dated: 16/12/2025

INNER CITY MUSIC LIMITED

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Independent Auditor's Report to the Trustees of Inner City Music Limited

Year ended 31 March 2025

Opinion

We have audited the financial statements of Inner City Music Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated 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 group's and of the parent company's affairs as at 31 March 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); 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 group 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt about the charitable company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

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Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2025

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the group for the purposes 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 charitable company'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 regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

INNER CITY MUSIC LIMITED

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Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2025

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the organisation's performance;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
 - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charitable company's Statement of Financial Activities, (ii) the charitable company's accounting policy for revenue recognition (iii) the overstatement of salary and other costs, and (iv) the understatement of creditors. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act, the Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the Board of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)
Year ended 31 March 2025

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Use of our report

This report is made solely to the charitable company'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 charitable company's trustees those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

Alison Buckley (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth (Audit) Limited
Accountants
Statutory Auditor

16.12.2025
.....

3rd Floor
44 Peter Street
Manchester
M2 5GP

Mitchell Charlesworth (Audit) Limited is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account)
Year ended 31 March 2025

	Notes	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Unrestricted Funds (as restated) 2024 £	Restricted Funds (as restated) 2024 £	Total Funds (as restated) 2024 £
Income:							
Donations and legacies	5	188,515	87,281	275,796	183,312	74,640	257,952
Other trading income	6	2,250,550	-	2,250,550	2,219,021	-	2,219,021
<i>Income from charitable activities:</i>							
Provision of musical works and performances	7	574,198	-	574,198	504,217	-	504,217
Total income		3,013,263	87,281	3,100,544	2,906,550	74,640	2,981,190
Expenditure:							
<i>Expenditure on raising funds:</i>							
Commercial trading operation costs		(1,517,360)	-	(1,517,360)	(1,500,717)	-	(1,500,717)
<i>Expenditure on charitable activities:</i>							
Provision of musical works and performances	8	(1,462,774)	(86,935)	(1,549,709)	(1,526,219)	(64,661)	(1,590,880)
Total expenditure		(2,980,134)	(86,935)	(3,067,069)	(3,026,936)	(64,661)	(3,091,597)
Net incoming/ (outgoing) resources before transfers		33,129	346	33,475	(120,386)	9,979	(110,407)
Transfers		-	-	-	-	-	-
Net movement of funds in year		33,129	346	33,475	(120,386)	9,979	(110,407)
Reconciliation of funds:							
Total funds brought forward		(1,726)	4,562,057	4,560,331	118,660	4,552,078	4,670,738
Total funds carried forward		31,403	4,562,403	4,593,806	(1,726)	4,562,057	4,560,331

The Statement of Financial Activities includes all gains and losses in the year and all income and expenditure derives from continuing activities

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Balance Sheet
As at 31 March 2025

	Notes	The Group 2025 £	The Charity 2025 £	The Group (as restated) 2024 £	The Charity (as restated) 2024 £
Fixed Assets					
Tangible assets	15	5,107,825	5,107,825	4,932,058	4,932,058
Investments	16	-	1	-	1
		5,107,825	5,107,826	4,932,058	4,932,059
Current assets					
Stock	18	31,682	-	20,845	-
Debtors	19	107,417	55,443	76,382	95,948
Cash at bank and in hand		335,839	214,106	305,840	189,181
		474,938	269,549	403,067	285,129
Creditors: amounts falling due within one year	20	(511,773)	(306,385)	(424,279)	(306,342)
Net current assets		(36,835)	(36,836)	(21,212)	(21,213)
Total assets less current liabilities		5,070,990	5,070,990	4,910,846	4,910,846
Creditors: amounts falling due after one year	21	(477,184)	(477,184)	(350,515)	(350,515)
Net assets		4,593,806	4,593,806	4,560,331	4,560,331
Funds					
Unrestricted funds:					
General	23	31,403	33,475	(1,726)	3,980
Designated	23	-	-	-	-
Restricted funds	24	4,562,403	4,560,331	4,562,057	4,556,351
		4,593,806	4,593,806	4,560,331	4,560,331

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Balance Sheet
As at 31 March 2025

For the year ending 31 March 2025 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

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

The notes on pages 16 to 30 form part of these accounts.

These financial statements were approved by the members of the committee on 16/12/2025 and are signed on their behalf by:



Julian Curnuck
Trustee

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Cash Flows
Year ended 31 March 2025

		2025		2024	
	Note	£	£	£	£
Cash flows from operating activities					
Cash generated in operating activities	28		<u>39,637</u>		<u>(203,978)</u>
Net cash from operating activities			39,637		(203,978)
Cash used in investing activities					
Purchase of property, plant and equipment		<u>(195,454)</u>		<u>(17,014)</u>	
Net cash used in investing activities			(195,454)		(17,014)
Cash used in financing activities					
New borrowings		200,000		400,000	
		<u>(14,184)</u>		<u>(359,423)</u>	
			<u>185,816</u>		<u>40,577</u>
Net (decrease)/increase in cash and cash equivalents			29,999		(180,415)
Cash and cash equivalents at beginning of year			<u>305,840</u>		<u>486,255</u>
Cash and cash equivalents at end of year			<u>335,839</u>		<u>305,840</u>

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

1. Company information

Inner City Music Limited is a private limited company domiciled and incorporated in England and Wales. The registered office is 25 Swan Street, Manchester, M4 5JZ.

2. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

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

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 consolidate the results of the charity and its wholly owned subsidiary Band on the Wall Trading Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Inner City Music Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

At the time of approving the financial statements the trustees have a reasonable expectation that the charitable company 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.

Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

Investment income is recognised on a receivable basis.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

2. Accounting Policies (*continued*)

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. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable activities include expenditure associated with the presentation and focus on musical works and performances and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories directly as well as indirectly, based on an appropriate basis.
- Other expenditure represents those items not falling into any other heading.

Funds structure

- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract/monies received. The purpose and use of restricted funds is set out in note 24 to the financial statements.
- General funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

Volunteers

The value of services provided by volunteers is not included in the financial statements.

Donated goods, services and facilities

On any occasion where goods and services are provided to the Charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity. Any goods given to the Charity and held for stock are only recognised in the year that the goods are distributed or used.

Tangible fixed assets

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment	-	5% to 20% reducing balance
Archives	-	10% of cost
Computer equipment	-	20% of cost

The freehold property is stated at market value which is based on regular professional valuations. If a material change is likely, intervening valuations are carried out.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

2. Accounting Policies (*continued*)

Fixed asset investments

Investments are stated at cost as the investment relates solely to the wholly owned share capital of its trading subsidiary Band on the Wall Trading Limited.

Pensions

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently fully managed and administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Legal status of the Charity

The company is limited by guarantee and all members have agreed to contribute an amount not exceeding £1 in the event of a winding up. The number of members at the year-end was 8 (2024: 8).

4. Judgements and key sources of estimation uncertainty

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.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
<i>Donations</i>						
Private donations	186	-	186	-	908	908
<i>Grants and service level agreements</i>						
Arts Council of England – Revenue Grants	183,312	-	183,312	183,312	-	183,312
Creative Learning – Education Grants	5,017	-	5,017	-	-	-
Oglesbury Funding	-	38,088	38,088	-	-	-
Charitable Trusts	-	-	-	-	(2,000)	(2,000)
Heritage Lottery Fund	-	49,193	49,193	-	75,732	75,732
	188,329	87,281	275,610	183,312	73,732	257,044
	188,515	87,281	275,796	183,312	74,640	257,952

6. Other trading income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Commercial trading operations	2,250,550	-	2,250,550	2,219,021	-	2,219,021

7. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Ticket income	551,049	-	551,049	482,532	-	482,532
Other income	23,149	-	23,149	21,685	-	21,685
	574,198	-	574,198	504,217	-	504,127

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

8. Analysis of expenditure on charitable activities

	Total 2025 £	Total 2024 £
Wages and salaries (excluding Bar wages)	682,330	694,200
Staff related costs	30,124	43,363
Hire of plant and machinery	4,927	14,362
Advertising	85,108	93,483
Musicians' costs	347,150	307,328
Production costs	49,017	32,176
Venue costs	70,357	90,905
Repairs and renewals	9,310	6,296
Capital funding expenditure	22,362	52,921
Central Support costs (note 9)	235,994	241,221
Governance costs (note 9)	13,030	14,625
	1,549,709	1,590,880

Expenditure on charitable activities was £1,549,709 (2024: £1,590,880) of which £1,462,774 (2024: £1,526,219) was unrestricted and £86,935 (2024: £64,661) was restricted.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

9. Analysis of support costs

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, these, along with the remaining support costs, are directly allocated to the various funds attributed to the sole charitable activity undertaken in the year.

	Total 2025 £	Total 2024 £
<i>Central support costs:</i>		
Premises costs	91,074	105,828
Professional fees	15,271	11,070
Telephone	3,052	3,513
Postage and stationery	207	273
Sundries	73,470	87,616
Travel	5,204	4,068
Bad debts	-	-
Depreciation	19,686	24,955
Loan interest	25,233	-
Bank charges	2,797	3,898
	235,994	241,221
<i>Governance costs:</i>		
Accountancy support	2,530	4,625
Audit fees	10,500	10,000
	13,030	14,625

10. Net income/(expenditure) for the year

	Total 2025 £	Total 2024 £
This is stated after charging:		
Depreciation	19,686	24,955
Auditors fees - for audit services	10,500	10,000

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

11. Analysis of staff costs, Trustees' remuneration and the cost of key management personnel

	Total 2025 £	Total 2024 £
Wages and salaries	900,545	814,201
Social security costs	67,660	62,542
Pension costs	18,973	16,427
	987,178	893,170

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2025 No.	2024 No.
£60,001 - £70,000	1	1
	1	1

No Trustees received re-imbursement for expenses during the year (2024: £Nil). The above amount represents the amounts paid to key management personnel of the charity.

12. Staff numbers

The average monthly number of full-time equivalent employees (including casual and part-time staff) employed by the charity during the year was:

	2025 No.	2024 No.
Management and administration	75	57

13. Pension costs

The charity operates a defined contribution pension scheme, contributions are charged in the statement of financial activities as they accrue. The charge for the year for the Charity was £18,973 (2024: £16,427).

14. Corporation tax

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

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

15. Tangible fixed assets

The Group and Charity	Freehold property £	Archiving £	Equipment, fixtures & fittings £	Total £
Cost				
At 1 April 2024	4,786,673	37,039	449,956	5,273,668
Additions	187,797	-	7,656	195,453
Disposals/transfers	-	-	-	-
At 31 March 2025	4,974,470	37,039	457,612	5,469,121
Depreciation				
At 1 April 2024	-	33,540	308,070	341,610
Charge for the year	-	1,580	18,106	19,686
Disposals	-	-	-	-
At 31 March 2025	-	35,120	326,176	361,296
Net book value				
At 31 March 2025	4,974,470	1,919	131,436	5,107,825
At 31 March 2024	4,786,673	3,499	141,886	4,932,058

The historical cost of the freehold property is £7,157,158 (2024: £7,157,158). The Charity's freehold property interest in 27 & 29 Swan Street was revalued by Beesleys Chartered Surveyors on 30 March 2015. The Trustees consider this value represents the fair current market value of the property at the year-end.

The Arts Council of England holds a fixed and floating charge over the assets of the charitable company dated 12 February 2008, and a charge over the freehold property of the charitable company dated 23 January 2020 and 31 March 2023.

The National Heritage Memorial Fund holds charges dated 15 February 2008 and 27 January 2020 over the freehold property of the charitable company.

At the balance sheet date, Lloyds Bank plc held a fixed and floating charge over the assets of the charitable company dated 10 September 2020. After the year-end the loan was refinanced, and the charge was released.

16. Investments

	The Group 2025 £	The Charity 2025 £	The Group 2024 £	The Charity 2024 £
Historical cost at 31 March 2025	-	1	-	1

The investment above represents the whole of the issued share capital of Band on the Wall Trading Limited, a company incorporated in England and Wales (Company No 09412259).

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

17. Financial instruments				
	The Group	The Charity	The Group	The Charity
	2025	2025	2024	2024
	£	£	£	£
Carrying amount of financial assets				
Debt instruments at amortised cost	449,057	275,260	387,854	324,199
Equity instruments measured at cost less impairment	-	1	-	1
Carrying amount of financial liabilities				
Measured at amortised cost	511,453	306,065	380,115	295,615
18. Stock				
	The Group	The Charity	The Group	The Charity
	2025	2025	2024	2024
	£	£	£	£
Goods for resale	31,682	-	20,845	-
19. Debtors				
	The Group	The Charity	The Group (as restated)	The Charity (as restated)
	2025	2025	2024	2024
	£	£	£	£
Trade debtors	26,015	150	36,479	7,178
Amounts owed by group undertakings in which the charity has a participating interest	-	-	-	48,867
Other debtors	1,531	1,531	6,144	6,144
Other taxes	719	719	18,639	18,639
Prepayments and accrued income	79,152	53,043	15,120	15,120
	107,417	55,443	76,382	95,948
20. Creditors: Amounts falling due within one year				
	The Group	The Charity	The Group (as restated)	The Charity (as restated)
	2025	2025	2024	2024
	£	£	£	£
Trade creditors	173,881	118,054	156,034	125,432
Loan accounts	97,097	97,097	37,951	37,951
Amounts owed to group undertakings in which the charity has a participating interest	-	5,183	-	-
Other taxes and social security	58,458	14,381	47,239	13,801
Other creditors	10,923	(725)	9,573	5,372
Accruals and Deferred Income	171,414	72,395	173,482	123,786
	511,773	306,385	424,279	306,342

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

21. Creditors: Amounts falling due after one year

	The Group	The Charity	The Group	The Charity
	2025	2025	2024	2024
	£	£	£	£
Loan accounts	477,184	477,184	350,515	350,515
	477,184	477,184	350,515	350,515

22. Deferred income

	2025	2024
	£	£
At 1 April 2024	94,648	73,157
Additions during the year	117,635	94,648
Amounts released to income	(94,648)	(73,157)
At 31 March 2025	117,635	94,648

At the balance sheet date, the charity was holding funds received in advance in respect of venue hire and ticket sales for events after the balance sheet date.

23. Unrestricted Funds

	1 April 2024 (as restated)	Income	Expenditure	Transfers	31 March 2025
	£	£	£	£	£
Unrestricted - general	(1,726)	3,013,263	(2,980,134)	-	31,403
	(1,726)	3,013,263	(2,980,134)	-	31,403
	1 April 2023 (as restated)	Income	Expenditure	Transfers	31 March 2024 (as restated)
	£	£	£	£	£
Unrestricted - general	103,660	2,906,550	(3,026,936)	15,000	(1,726)
Designated fund - Coccozza project	15,000	-	-	(15,000)	-
	118,660	2,906,550	(3,026,936)	-	(1,726)

The designated Coccozza project fund for the work in respect of the Coccozza building redevelopment has been transferred as the Coccozza building restoration is now complete.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

24. Restricted Funds

The restricted funds of the charity comprise the following unexpended balances of donations and grants held on trust to be applied for specific purposes.

	1 April 2024 £	Income £	Expenditure £	Transfers £	31 March 2025 £
Tangible fixed assets fund	4,498,810	-	-	-	4,498,810
Other fund	63,247	87,281	(86,935)	-	63,593
	<u>4,562,057</u>	<u>87,281</u>	<u>(86,935)</u>	<u>-</u>	<u>4,562,403</u>
	1 April 2023 £	Income £	Expenditure £	Transfers £	31 March 2024 £
Tangible fixed assets fund	4,498,810	-	-	-	4,498,810
Other fund	53,268	74,640	(64,661)	-	63,247
	<u>4,552,078</u>	<u>74,640</u>	<u>(64,661)</u>	<u>-</u>	<u>4,562,057</u>

Tangible Fixed Assets Fund

This restricted fund represents monies received to assist with the purchase of the majority of the Charity's fixed assets and will reduce in line with the associated assets' depreciation policies.

25. Transfers between funds

The Heritage Lottery Fund has been subject to transfer into the Tangible Fixed Asset Fund as the Cocozza building restoration is now complete.

26. Results of trading subsidiary

The results reported in the accounts of Band on the Wall Trading Limited, the charity's wholly owned subsidiary, for the period ending 31 March 2025 were as follows:

	2025 £	2024 £
Turnover and other income	2,250,550	2,219,021
Net cost of sales and administrative expenses	<u>(1,517,360)</u>	<u>(1,500,717)</u>
	733,190	718,304
Donation to Inner City Music Limited	<u>(733,190)</u>	<u>(718,304)</u>
Retained in subsidiary for year	-	-
Balance at 31 March 2025	<u>-</u>	<u>-</u>

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

27. Analysis of net assets between funds

The Group 2025	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	133,355	-	4,974,470	5,107,825
Cash at bank and in hand	-	-	335,839	335,839
Net current and non-current assets/(liabilities)	(101,952)	-	(747,906)	(849,858)
	<u>31,403</u>	<u>-</u>	<u>4,562,403</u>	<u>4,593,806</u>
The Group 2024	General Fund (as restated) £	Designated Funds £	Restricted Funds £	Total (as restated) £
Tangible fixed assets	145,385	-	4,786,673	4,932,058
Cash at bank and in hand	-	-	305,840	305,840
Net current and non-current assets/(liabilities)	(147,111)	-	(530,456)	(677,567)
	<u>(1,726)</u>	<u>-</u>	<u>4,562,057</u>	<u>4,560,331</u>
The Charity 2025	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	133,355	-	4,974,470	5,107,825
Investments	1	-	-	1
Cash at bank and in hand	-	-	214,106	214,106
Net current and non-current assets/(liabilities)	(96,247)	-	(631,879)	(728,126)
	<u>37,109</u>	<u>-</u>	<u>4,556,697</u>	<u>4,593,806</u>
The Charity 2024	General Fund (as restated) £	Designated Funds £	Restricted Funds £	Total (as restated) £
Tangible fixed assets	145,385	-	4,786,673	4,932,058
Investments	1	-	-	1
Cash at bank and in hand	-	-	189,181	189,181
Net current and non-current assets/(liabilities)	(141,406)	-	(419,503)	(560,909)
	<u>3,980</u>	<u>-</u>	<u>4,556,351</u>	<u>4,560,331</u>

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

28. Cash used in operations

	2025	2024
	£	£
Net movement in funds	33,475	(110,407)
<i>Adjustments for:</i>		
Depreciation	19,686	24,955
Loss on sale of tangible fixed assets	-	-
<i>Movements in working capital:</i>		
(Increase)/decrease in stock	(10,837)	7,488
(Increase)/decrease in debtors	(31,035)	(9,180)
Increase/(decrease) in creditors	28,348	(116,834)
Net cash (used in)/generated in operations	39,637	(203,978)

29. Reconciliation of net movement in funds to net cash flow from operating activities

	Group	Group	Charity	Charity
	2025	2024	2025	2024
	£	£	£	£
Net movement in funds	33,475	(110,407)	33,475	(110,407)
Add: Depreciation	19,686	24,955	19,686	24,955
Add: Loss on sale of tangible fixed assets	-	-	-	-
Decrease/(increase) in stock	(10,837)	7,488	-	-
Decrease/(increase) in debtors	(31,035)	(9,180)	40,505	41,096
(Decrease)/increase in creditors	214,163	(76,257)	126,712	(117,743)
Net cash used in operating activities	225,452	(163,401)	220,378	(162,099)

30. Net debt reconciliation - Group - Current year

	31 March	Cash flows	31 March
	2024	2025	2025
	£	£	£
Cash	305,840	29,999	335,839
Loans falling due within one year	(37,951)	(59,146)	(97,097)
Loans falling due after one year	(350,515)	(126,669)	(477,184)
Net debt	(82,626)	(155,816)	(238,442)

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

30. Net debt reconciliation - Group - Prior year	31 March 2023 £	Cash flows £	31 March 2024 £
Cash	486,255	(180,415)	305,840
Loans falling due within one year	(106,501)	68,550	(37,951)
Loans falling due after one year	(241,388)	(109,127)	(350,515)
Net debt	138,366	(220,992)	(82,626)

31. Related Party Transactions

Grace Sharp, the daughter of the Chief Executive Officer, was employed by the company during the year. Her total remuneration was £12,631.

32. Prior Period Adjustment

Changes to the balance sheet – Group

	As previously reported	Adjustment	As restated 31 March 2024
Current assets			
Debtors	82,014	(5,632)	76,382
Creditors due within one year			
Taxation	(13,801)	(33,438)	(47,239)
Funds			
Unrestricted funds	37,344	(39,070)	(1,726)

**Changes to the statement of financial activities -
Group**

	As previously reported	Adjustment	As restated 31 March 2024
Year ended 31 March 2024			
Commercial trading operation costs	(1,461,647)	(39,070)	(1,500,717)
Net outgoing resources before transfers	(71,337)	(39,070)	(110,407)

Changes to the balance sheet - Charity

	As previously reported	Adjustment	As restated 31 March 2024
Current assets			
Debtors	135,018	(39,070)	95,948
Funds			
Unrestricted funds	43,050	(39,070)	3,980

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

32. Prior year adjustment (continued)

Notes to reconciliation - Group

The prior period adjustment relates to the re-statement of the VAT liability in the trading subsidiary as at 31 March 2024. The effect of the adjustment on the statement of financial activities has been to increase the loss as previously stated by £39,070. On the balance sheet the adjustment has led to an increase in the VAT liability of £33,438, a reduction in debtors of £5,632 and an increase in other creditors of £39,070.

33. Prior Prior Period Adjustment

Changes to the balance sheet – Group

	As previously reported	Adjustment	As restated 31 March 2023
Creditors due within one year			
Trade Creditors	(160,482)	(10,726)	(171,214)
Funds			
Unrestricted funds	129,386	(10,726)	118,660
	<u> </u>	<u> </u>	<u> </u>

Changes to the statement of financial activities - Group

	As previously reported	Adjustment	As restated 31 March 2023
Year ended 31 March 2023			
Provision of musical works and performances	(1,442,441)	(10,726)	(1,453,167)
Net outgoing resources before transfers	260,121	(10,726)	249,395
	<u> </u>	<u> </u>	<u> </u>

Changes to the balance sheet - Charity

	As previously reported	Adjustment	As restated 31 March 2023
Current assets			
Debtors	(107,695)	(10,726)	(118,421)
Funds			
Unrestricted funds	135,092	(10,726)	124,366
	<u> </u>	<u> </u>	<u> </u>

Notes to reconciliation - Group

The prior prior period adjustment relates to the re-statement of the Trade Creditor balance in the Charity as at 31 March 2023. The effect of the adjustment on the statement of financial activities has been to decrease the profit as previously stated by £10,726. On the balance sheet the adjustment has led to an increase in the Trade Creditor balance of £10,726.

INNER CITY MUSIC LIMITED

England & Wales - Charity number 516351

Accounts

**INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024**

**Company Registration Number 1893979
Charity Number 516351**

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Financial Statements
Year ended 31 March 2024

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INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Company Information

31 March 2024

Registered charity name:	Inner City Music
Company registration number:	1893979
Charity number:	516351
Principal address:	25 Swan Street Manchester M4 5JZ
Trustees:	S Sorrell (Chair) L Ashurst J Curnuck R Jones N Reed G Sharp K Gabay K Campbell-Green
Auditors:	Mitchell Charlesworth (Audit) Limited Statutory Auditors 3 rd Floor 44 Peter Street Manchester M2 5GP
Bankers:	The Co-operative Bank plc 1 Balloon Street Manchester M4 4BE

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report

Year ended 31 March 2024

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

Purposes and Activities

Over the last year we have continued to embed our revised mission into our activities, supplementing our venue programme with more external events, tours and learning programmes while also proactively developing the revised business model within the trading activity within Band on the Wall itself.

Inner City Music celebrates music and its power to engage, inspire and unify. In our venue Band on the Wall and through our wider programmes and activities, we enable all people to discover, explore, enjoy, and participate in the best music from around the world.

It became clear that, as the building had changed, that the business model within the venue also had to evolve, both in terms of how best to maximise occupancy within the main venue but also how to best use the second / bar venue space. It became clear through the year that this space could provide an entry level interaction with a new cohort of young creatives and audiences by using the space to showcase new and emerging artists and at the same time continue to improve on revenues generated across the bar.

Therefore it has been a year of experimentation and testing which resulted in a general shift within the main venue to a higher percentage of national / regional / local promoter hires (receiving) and a reduced percentage of our own produced events. This has improved occupancy overall and at the same time, with clear positioning and stressing a need for brand alignment with our promoter partners, maintained our clear mission focus and brand identity.

In the bar space we have tried a range of different strategies which ultimately resulted in a decision to re-brand the space and focus on a youth based programme, which was ultimately delivered in 2024-25.

For our audiences there is no doubt that we continue to be seen as a unique part of the city's live music offer, showcasing cultural music with an international outlook with quality of performance at the heart of what we do.

Which is to say we will continue to:

- Promote and celebrate the best music of many cultures, particularly showcasing jazz, folk, reggae, soul, latin, afro, funk, blues and other traditional music from across the world.
- Manage and operate the iconic live music venue Band on the Wall; maintaining its local, national and international reputation as a centre of excellence and innovation through our world-class artistic programmes which celebrate music from across the globe, and through our commitment to support and develop the best of emerging local talent.
- Serve our local communities and musicians by delivering learning programmes that integrate our artistic programmes. These will be open to people of all ages and backgrounds in a mission to establish Band on The Wall as a central space for all the city's communities to learn about the multiple music heritages of the city.
- Champion cultural diversity and promote equality by proactively seeking to reflect our communities in our programmes, participants, audiences, workforce and governance.
- Remove physical and psychological barriers to access by providing the best possible facilities and environment for deaf and disabled people and seeking feedback to inform ongoing evaluation and improvement in this area.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2024

- Improve public knowledge of the rich musical heritage of Band on the Wall and its importance to the social and cultural history of Manchester by providing access to our extensive archive and committing to its ongoing development.

While we continued to work on developing the business model within Band on the Wall, we were fortunate that our touring activity had a 'peak' year, with all of our most significant touring artists performing during 2023-24, including Cory Wong, Sammy Rae and Billy Bragg, which meant that we produced the largest scale events we had ever undertaken in both Manchester's Apollo (Billy Bragg / Cory Wong) and the Eventim Apollo (London, Cory Wong) and made an overall contribution to the organisation of almost £140k on a turnover in excess of £615k.

The learning programmes have also settled into a pattern, with The Manchester College partnership leaping forward with significant investment in infrastructure and resources from them as they have expanded and re-structured their estate and require the additional space and are now fully utilising the building all day both Monday and Tuesday.

In addition, our own programmes, largely supported through National Lottery Heritage Fund (NLHF), continued to completion during the year, but with a clear pathway to re-apply for a new (non-capital) programme of activity (World of Song – a project focussing on working with newly arrived people and refugees) which was awarded during the year and will be delivered in subsequent years. The one core element of activity which we could not build into the new programme and that had not become self-sustaining was the Saturday Music Club, but with some relief we managed to secure funding from The Oglesby Foundation to keep this work going for the next three years at least.

Finally, our schools and learning programmes continued to connect with our broader communities, with projects focussing on Caribbean and African music traditions and contemporary urban song writing in partnership with local schools. These programmes have all been financed by the NHLF and came to completion during the year while we continued to develop plans for our new World of Song project.

Achievements and Performance

During the year we programmed 746 individual concerts across all venues, with 637 taking place at Band on the Wall (across both venues, often with multiple events on the same day) and 66 in other venues across the UK, resulting in almost 25k ticket sales for external shows and 72k ticket sales in Band on the Wall. Of the entire 637 Band on the Wall events 257 were promoted by external partners and 380 promoted by ICM, with 194 of those being un-ticketed (free / education / community or partnership) events, and with most of these being in the second bar venue.

The distribution in the main venue space was 175 external promoter hires vs 128 ICM promotions, totalling a high watermark in terms of a total occupancy of 303 events overall, but also marking a change in the distribution towards promoter hires. This shift in event type has worked well both in terms of utilising the second venue for experimental and progressive programme whilst also using the main space to maximise revenues and an overall contribution to the organisation. In addition to the above, the venue was hired for 58 private and corporate events across all spaces.

This also therefore shifted the balance of turnover on tickets down slightly while also pushing the value of rental income up. This meant that rental income came in with a contribution of £21k over budget, making an overall contribution of £112k overall, at the same time turnover on directly promoted shows was £81k down, but this only created a -£5k variance on projected contribution.

If we remove the free and bar events from the analysis, and looking just at the venue the average attendance was again 207 per event – exactly the same as the previous year, but with an increased number of events overall and a more effective utilisation of the bar. The average attendance for ticketed events in the bar was 65, almost exactly what we hoped for in the planning budgets developed prior to the capital project. As most events during the previous year were free, the strategy of utilising the bar for ticketed events during the week appears to have worked. However, we will be looking to return to free events at the weekends to maximise the general popularity of the area at the weekends where passing trade and the potential revenues are now considerable.

Finally, the learning programmes again reached almost one thousand people with almost ten thousand individual experiences and continues to grow with full utilisation of the venue, with activity taking place six days per week during term time.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2024

Going forward (as of 31st March 2024) we have been working on the physical development of the bar (rebranding as The Copper Bar) and securing the finance to take on the long-term lease of The Rose & Monkey Hotel, immediately next door.

Financial review

While these accounts show an overall relatively small deficit, the reality is that underlying trading was actually strong and we continue to grow audiences and develop the overall business model. The deficit is in fact entirely due to the final stages of the delivery of the NLHF activity programme linked to the capital project, and our long-standing commitment to contribute to the final stages of this project (as detailed in the NLHF capital project cashflow). In effect, the activity programme cost £169k (£64k restricted and £105k within the unrestricted expenditure total) during the year with an income from funders of only £75k.

Looking back at the 2022-23 accounts, and the overall surplus of £260k (£207k unrestricted and £53k restricted) this almost entirely offsets the deficit incurred against the programme in this current financial year (if depreciation charges are also ignored).

Therefore, when taking the above extraordinary items into account, it is clear that trading activity is currently meeting or exceeding expectations and the budgets developed when initially planning out the expanded venue and addition of the second venue have been proven to be largely correct. In addition, developing a touring programme, despite the managed risks, also continues to make strong contributions to the core. This is underlined within the Band on the Wall Trading accounts, which show an overall donation to the charity of £757k, up from £399k in the previous year, with all departments making positive contributions to core.

Charity

Our learning and engagement activity is now very much embedded into the core of our work, with the venue in use 6 days a week and a significant amount of activity taking place across GM. The securing of another round of project funding from NLHF and The Oglesby Foundation at the end of March 24 means that this work has stability and will continue to embed itself into the culture of the organisation. With the core cost of the Learning Programme Manager's salary covered through this funding, it also means that the ongoing day to day classes which largely cover their own costs through participant donations (choirs / Jazz classes and Parent & Baby) can also continue in the longer term.

More broadly speaking, and as outlined above, it is clear that we have closed the gap on the overall costs vs income on the programme. The strategy of introducing more ticketing events into the bar and encouraging emerging promoters to produce events in the space is working, while also providing a low cost space for early career and specialist promoters to develop fulfils our sector support and artist development objectives, providing an exceptional platform for talent development.

Trading

As outlined above, trading income and the support this provided to the charity was strong during the year and we continue to work hard to maximise our commercial revenues.

Overall

Inner City Music continued to invest in our core purpose and did so within a controlled financial and operational framework, whilst meeting the expectations of our audiences, stakeholders and funders alike.

Overheads

Core expenditure was closely monitored and well controlled with some ongoing savings throughout the year and we took every opportunity for support as provided by all the various government schemes and initiatives, to reduce costs and liabilities.

Finally, the ongoing support and confidence of the Arts Council England and the National Lottery Heritage Fund in terms of finance but also through the direct advice and guidance of individual officers, has been absolutely key to enable us to develop a resilient business model. We are also pleased to be able to say that it is becoming ever clearer to convey our charitable mission and attract even greater support, such as through the Oglesby Charitable Trust and Granada Foundations.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2024

Reserves policy

The purpose of the unrestricted fund is to provide funds for the day-to-day running of the charity. Should a deficit be made on a specific project, a transfer of funds will be made from the unrestricted funds to cover the deficit.

The company undertakes to maintain reserves to the value of three months' core expenditure against the costs of maintaining the staff team and company assets, principally being the property known as 'Band on the Wall'.

Plans for future periods

We continue to focus on the following core areas of business:

Band on the Wall

The Band on the Wall venue remains at the core of the organisation's activity with the majority of our output taking place within the spaces available. The expansion of the venue has allowed for greater resilience and stability going forward, while providing the charity with a range of additional and more flexible and well-designed spaces.

Creative Learning

This work is being significantly expanded with the development of our own internal programmes supported through NLHF. Plans are in place to continue to develop this programme and NLHF has suggested that they would look favourably on supporting a future bid to extend the programme and we have now been invited to apply for three years' support with the Oglesby Charitable trust.

Touring

Touring work has significantly increased during 23-24 and we will be continuing to build on this part of our work.

Streaming and Online

Our Streaming and online infrastructure is now in place and we will be building this area of work as we continue to generate new content.

Venue Services

We are proactively looking at how we can develop and exploit our venue systems outside of the building whilst also supporting sector development and best practise in other venues.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Working name of the Charity

The working name of the Charity is Band on the Wall. The legal name of Inner City Music Limited remains unchanged.

Recruitment and appointment of Trustees

New trustees are elected by the Council in accordance with the Charity's governing document.

Trustee induction and training

The policy of Inner City Music Limited is to provide each new trustee with a copy of the Charity Commission document 'The Responsible Trustee' and to provide background information about the work of the Charity at an induction session and through the updated Governance Code developed and agreed by the Board during 2012. Trustees are also encouraged to review prior documents, business and development plans, available in the ICM office and through the ICM online Board, Strategic and Staff Handbook Wiki; they are also encouraged to attend training events about charity governance.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2024

Auditors

In accordance with the company's articles, a resolution proposing that Mitchell Charlesworth (Audit) Limited be reappointed as auditor of the company will be put at a General Meeting.

Reference and administrative details

Organisation

The Directors of the charitable company (the Charity) are its Trustees for the purpose of Charity law and Directors for the purpose of Company law.

The Trustees who served the charity during the period were as follows:

Key management personnel: Trustees' and Directors

Chair:	S Sorrell
Trustees:	L Ashurst
	J Curnuck
	R Jones
	N Reed
	G Sharp (see below)
	K Gabay
	K Campbell-Green

Key management personnel: Principal staff

Chief Executive:	G Sharp
------------------	---------

The Trustees are responsible for the affairs of the charity. In particular they decide the strategic direction of the Charity and ensure that it is solvent, well-run and fulfils the aims of the Charity. They delegate day-to-day operations and activities to the Chief Executive Officer. Where there is a project of significant scale or risk - as with the ongoing capital project - they take professional advice, including employing experienced consultants and other specialists to ensure that risks are minimised and the best possible result for the Charity is achieved. Their role as employers is also taken seriously and time is given over to ensure compliance within all areas of English employment law.

Staff seek to implement the organisation's business plan currently in place and report on progress on a regular basis to the Board. Regular financial reports are provided to the Board and, when required, consultants' reports are commissioned. The Board has approved a procedure for cheque and online payments and this is implemented by the Finance Manager, Facilities and Projects Manager and CEO.

Risk management

While trading, the broader economy and sector conditions continue to be something we need to carefully monitor, we believe that it is in fact the ability to monitor and evaluate our funders objectives and remain fully compliant with their requirements, represents a risk in the longer term and one that we will be working to mitigate in the remainder of the current funding cycle.

The major risks to which the organisation is exposed, as identified by the Trustees, have been reviewed and systems implemented to mitigate those risks. The management of cash flow during the period remained a priority and despite the challenges creditors were paid as and when due or payment plans put in place. Core costs were well controlled throughout the year and systems established to manage risk.

The business model always pre-supposed an expansion of activity outside of the building and the ICM staff now have systems well established to manage events across the UK. Although this has provided growth, it also comes with risk and this has been noted by both the Trustees.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2024

Risk management (continued)

Operational and event risk management is tracked through a comprehensive operational database, which acts as the venue diary, and is used to project income against expenditure for all events. This sits alongside and provides financial information to the financial management systems managed by the Finance Manager, producing regular management accounts. This system has been enhanced and improved during the year, through additional investment. All systems have been reviewed and developed during the pandemic and capital project and a new database created which provides for more robust tracking of supplies ordered, specifically in regard to the events programme, risk analysis, budgeting and final outcome reporting.

Issues regarding the cost of depreciation to the charity and the impact on the balance sheet have been regularly discussed at Board level and regular reviews by the Finance Sub-Committee, involving the three qualified accountants on the board, the Finance Manager and CEO have all contributed to providing a pathway back to a financially stable position.

Trustees' responsibilities in relation to the financial statements

The Charity's Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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.

Statement of disclosure to auditor

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the trustees



Julian Curnuck
Trustee

Dated: 19 December 2024

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited

Year ended 31 March 2024

Opinion

We have audited the financial statements of Inner City Music Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated 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 group's and of the parent company's affairs as at 31 March 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); 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 group 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt about the charitable company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2024

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the group for the purposes 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 charitable company'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 regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2024

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the organisation's performance;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
 - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charitable company's Statement of Financial Activities, (ii) the charitable company's accounting policy for revenue recognition (iii) the overstatement of salary and other costs, and (iv) the understatement of creditors. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act, the Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the Board of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2024

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Use of our report

This report is made solely to the charitable company'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 charitable company's trustees those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

Alison Buckley (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth (Audit) Limited
Accountants
Statutory Auditor

19 December 2024

3rd Floor
44 Peter Street
Manchester
M2 5GP

Mitchell Charlesworth (Audit) Limited is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account)
Year ended 31 March 2024

	Notes	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Income:							
Donations and legacies	5	183,312	74,640	257,952	318,834	396,308	715,142
Other trading income	6	2,219,021	-	2,219,021	1,394,888	-	1,394,888
<i>Income from charitable activities:</i>							
Provision of musical works and performances	7	504,217	-	504,217	557,378	-	557,378
Total income		2,906,550	74,640	2,981,190	2,271,100	396,308	2,667,408
Expenditure:							
<i>Expenditure on raising funds:</i>							
Commercial trading operation costs		(1,461,647)	-	(1,461,647)	(984,846)	-	(984,846)
<i>Expenditure on charitable activities:</i>							
Provision of musical works and performances	8	(1,526,219)	(64,661)	(1,590,880)	(1,079,401)	(343,040)	(1,422,441)
Total expenditure		(2,987,866)	(64,661)	(3,052,527)	(2,064,247)	(343,040)	(2,407,287)
Net incoming/ (outgoing) resources before transfers		(81,316)	9,979	(71,337)	206,853	53,268	260,121
Transfers		-	-	-	-	-	-
Net movement of funds in year		(81,316)	9,979	(71,337)	206,853	53,268	260,121
<i>Reconciliation of funds:</i>							
Total funds brought forward		129,386	4,552,078	4,681,464	(77,467)	4,498,810	4,421,343
Total funds carried forward		48,070	4,562,057	4,610,127	129,386	4,552,078	4,681,464

The Statement of Financial Activities includes all gains and losses in the year and all income and expenditure derives from continuing activities.

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Balance Sheet
As at 31 March 2024

	Notes	The Group 2024 £	The Charity 2024 £	The Group 2023 £	The Charity 2023 £
Fixed Assets					
Tangible assets	15	4,932,058	4,932,058	4,939,999	4,939,999
Investments	16	-	1	-	1
		4,932,058	4,932,059	4,939,999	4,940,000
Current assets					
Stock	18	20,845	-	28,333	-
Debtors	19	82,014	135,018	67,202	137,044
Cash at bank and in hand		305,840	189,181	486,255	368,294
		408,699	324,199	581,790	505,338
Creditors: amounts falling due within one year	20	(380,115)	(295,616)	(598,937)	(522,486)
Net current assets		28,584	28,583	(17,147)	(17,148)
Total assets less current liabilities		4,960,642	4,960,642	4,922,852	4,922,852
Creditors: amounts falling due after one year	21	(350,515)	(350,515)	(241,388)	(241,388)
Net assets		4,610,127	4,610,127	4,681,464	4,681,464
Funds					
Unrestricted funds:					
General	23	48,070	53,776	114,386	120,092
Designated	23	-	-	15,000	15,000
Restricted funds	24	4,562,057	4,556,351	4,552,078	4,546,372
		4,610,127	4,610,127	4,681,464	4,681,464

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Balance Sheet (Continued)
As at 31 March 2024

For the year ending 31 March 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

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

The notes on pages 16 to 30 form part of these accounts.

These financial statements were approved by the members of the committee on 19 December 2024 and are signed on their behalf by:



Julian Curnuck
Trustee

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Cash Flows
Year ended 31 March 2024

	Note	2024	2023
		£	£
Cash flows from operating activities			
Cash generated in operating activities	31	<u>(203,978)</u>	<u>(115,161)</u>
Net cash from operating activities		(203,978)	(115,161)
Cash used in investing activities			
Purchase of property, plant and equipment		<u>(17,014)</u>	<u>(308,266)</u>
Net cash used in investing activities		(17,014)	(308,266)
Cash used in financing activities			
New borrowings		400,000	50,000
Repayment of borrowings		<u>(359,423)</u>	<u>(52,111)</u>
Net cash used in financing activities		40,577	(2,111)
Net decrease in cash and cash equivalents		(180,415)	(425,538)
Cash and cash equivalents at beginning of year		<u>486,255</u>	<u>911,793</u>
Cash and cash equivalents at end of year		<u>305,840</u>	<u>486,255</u>

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2024

1. Company information

Inner City Music Limited is a private limited company domiciled and incorporated in England and Wales. The registered office is 25 Swan Street, Manchester, M4 5JZ.

2. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

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

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 consolidate the results of the charity and its wholly owned subsidiary Band on the Wall Trading Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Inner City Music Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

At the time of approving the financial statements the trustees have a reasonable expectation that the charitable company 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.

Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

Investment income is recognised on a receivable basis.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2024

2. Accounting Policies (*continued*)

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. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable activities include expenditure associated with the presentation and focus on musical works and performances and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories directly as well as indirectly, based on an appropriate basis.
- Other expenditure represents those items not falling into any other heading.

Funds structure

- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract/monies received. The purpose and use of restricted funds is set out in note 24 to the financial statements.
- General funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

Volunteers

The value of services provided by volunteers is not included in the financial statements.

Donated goods, services and facilities

On any occasion where goods and services are provided to the Charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity. Any goods given to the Charity and held for stock are only recognised in the year that the goods are distributed or used.

Tangible fixed assets

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment	-	5% to 20% reducing balance
Archives	-	10% of cost
Computer equipment	-	20% of cost

The freehold property is stated at market value which is based on regular professional valuations. If a material change is likely, intervening valuations are carried out.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2024

2. Accounting Policies (*continued*)

Fixed asset investments

Investments are stated at cost as the investment relates solely to the wholly owned share capital of its trading subsidiary Band on the Wall Trading Limited.

Pensions

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently fully managed and administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Legal status of the Charity

The company is limited by guarantee and all members have agreed to contribute an amount not exceeding £1 in the event of a winding up. The number of members at the year-end was 8 (2023: 9).

4. Judgements and key sources of estimation uncertainty

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.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<i>Donations</i>						
Private donations	-	908	908	-	5,706	5,706
<i>Grants and service level agreements</i>						
Arts Council of England - Revenue Grants	183,312	-	183,312	318,834	-	318,834
Arts Council of England – Capital Grants	-	-	-	-	198,902	198,902
Charitable Trusts	-	(2,000)	(2,000)	-	34,000	34,000
Heritage Lottery Fund	-	75,732	75,732	-	157,700	157,700
	183,312	73,732	257,044	318,834	390,602	709,436
	183,312	74,640	257,952	318,834	396,308	715,142

6. Other trading income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Commercial trading operations	2,219,021		2,219,021	1,394,888	-	1,394,888

7. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Ticket income	482,532	-	482,532	441,706	-	441,706
Other income	21,685	-	21,685	115,672	-	115,672
	504,217	-	504,217	557,378	-	557,378

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

8. Analysis of expenditure on charitable activities

	Total 2024 £	Total 2023 £
Wages and salaries (excluding Bar wages)	694,200	565,371
Staff related costs	43,363	35,096
Hire of plant and machinery	14,362	28,950
Advertising	93,483	129,027
Musicians' costs	307,328	314,122
Production costs	32,176	100,159
Venue costs	90,905	17,367
Repairs and renewals	6,296	7,139
Capital funding expenditure	52,921	41,802
Central Support costs (note 9)	241,221	174,257
Governance costs (note 9)	14,625	9,151
	1,590,880	1,422,441

Expenditure on charitable activities was £1,590,880 (2023: £1,422,421) of which £1,526,219 (2023: £1,079,401) was unrestricted and £64,661 (2023: £343,040) was restricted.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

9. Analysis of support costs

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, these, along with the remaining support costs, are directly allocated to the various funds attributed to the sole charitable activity undertaken in the year.

	Total 2024 £	Total 2023 £
<i>Central support costs:</i>		
Premises costs	105,828	80,733
Professional fees	11,070	5,708
Telephone	3,513	2,370
Postage and stationery	273	784
Sundries	87,616	47,847
Travel	4,068	7,075
Bad debts	-	-
Depreciation	24,955	26,924
Loss on disposal of fixed assets	-	178
Bank charges	3,898	2,638
	241,221	174,257
<i>Governance costs:</i>		
Accountancy support	4,250	2,900
Audit fees	10,000	8,615
	14,625	9,151

10. Net income/(expenditure) for the year

	Total 2024 £	Total 2023 £
This is stated after charging:		
Depreciation	24,955	26,924
Auditors fees - for audit services	10,000	8,615

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

11. Analysis of staff costs, Trustees' remuneration and the cost of key management personnel

	Total 2024 £	Total 2023 £
Wages and salaries	814,201	611,629
Social security costs	62,542	67,872
Pension costs	16,427	15,655
	893,170	695,156

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2024 No.	2023 No.
£60,001 - £70,000	1	1
	1	1

No Trustees received re-imbursement for expenses during the year (2023: £Nil). The above amount represents the amounts paid to key management personnel of the Charity.

12. Staff numbers

The average monthly number of full-time equivalent employees (including casual and part-time staff) employed by the charity during the year was:

	2024 No.	2023 No.
Management and administration	57	56

13. Pension costs

The charity operates a defined contribution pension scheme, contributions are charged in the statement of financial activities as they accrue. The charge for the year for the Charity was £16,427 (2023: £15,655).

14. Corporation tax

On the basis of these financial statements no provision has been made for corporation tax.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

15. Tangible fixed assets

The Group and Charity	Freehold property £	Archiving £	Equipment, fixtures & fittings £	Total £
Cost				
At 1 April 2023	4,786,673	37,039	438,406	5,262,118
Additions	-	-	17,014	17,014
Disposals	-	-	(5,464)	(5,464)
At 31 March 2024	4,786,673	37,039	449,956	5,273,668
Depreciation				
At 1 April 2023	-	31,960	290,159	322,119
Charge for the year	-	1,580	23,375	24,955
Disposals	-	-	(5,464)	(5,464)
At 31 March 2024	-	33,540	308,070	341,610
Net book value				
At 31 March 2024	4,786,673	3,499	141,886	4,932,058
At 31 March 2023	4,786,673	5,079	148,247	4,939,999

The historical cost of the freehold property is £7,157,158 (2023: £7,157,158). The Charity's freehold property interest in 27 & 29 Swan Street was revalued by Beesleys Chartered Surveyors on 30 March 2015. The Trustees consider this value represents the fair current market value of the property at the year-end.

The Arts Council of England holds a fixed and floating charge over the assets of the charitable company dated 12 February 2008, and a charge over the freehold property of the charitable company dated 23 January 2020 and 31 March 2023.

The National Heritage Memorial Fund holds charges dated 15 February 2008 and 27 January 2020 over the freehold property of the charitable company.

At the balance sheet date, Lloyds Bank plc held a fixed and floating charge over the assets of the charitable company dated 10 September 2020. After the year-end the loan was refinanced, and the charge was released.

16. Investments

	The Group 2024 £	The Charity 2024 £	The Group 2023 £	The Charity 2023 £
Historical cost at 31 March 2024	-	1	-	1

The investment above represents the whole of the issued share capital of Band on the Wall Trading Limited, a company incorporated in England and Wales (Company No 09412259).

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

17. Financial instruments	The Group	The Charity	The Group	The Charity
	2024	2024	2023	2023
	£	£	£	£
Carrying amount of financial assets				
Debt instruments at amortised cost	387,854	324,199	553,457	505,338
Equity instruments measured at cost less impairment	-	1	-	1
Carrying amount of financial liabilities				
Measured at amortised cost	380,115	295,615	598,937	522,486
18. Stock	The Group	The Charity	The Group	The Charity
	2024	2024	2023	2023
	£	£	£	£
Goods for resale	20,845	-	28,333	-
19. Debtors	The Group	The Charity	The Group	The Charity
	2024	2024	2023	2023
	£	£	£	£
Trade debtors	36,479	7,178	23,615	1,762
Amounts owed by group undertakings in which the Charity has a participating interest	-	87,937	-	112,170
Other debtors	11,776	6,144	15,464	3,739
Other taxes	18,639	18,639	-	-
Prepayments and accrued income	15,120	15,120	28,123	19,373
	82,014	135,018	67,202	137,044
20. Creditors: Amounts falling due within one year	The Group	The Charity	The Group	The Charity
	2024	2024	2023	2023
	£	£	£	£
Trade creditors	145,308	114,706	160,482	107,695
Loan accounts	37,951	37,951	106,501	106,501
Other taxes and social security	13,801	13,801	15,844	15,844
Other creditors	9,573	5,372	8,876	4,760
Accruals and Deferred Income	173,482	123,786	307,234	287,686
	380,115	295,616	598,937	522,486

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

21. Creditors: Amounts falling due after one year

	The Group 2024 £	The Charity 2024 £	The Group 2023 £	The Charity 2023 £
Loan accounts	<u>350,515</u>	<u>350,515</u>	<u>241,388</u>	<u>241,388</u>
	<u>350,515</u>	<u>350,515</u>	<u>241,388</u>	<u>241,388</u>

22. Deferred income

	2024 £	2023 £
At 1 April 2023	73,157	26,841
Additions during the year	94,648	80,767
Amounts released to income	<u>(73,157)</u>	<u>(34,451)</u>
At 31 March 2024	<u>94,648</u>	<u>73,157</u>

At the balance sheet date, the Charity was holding funds received in advance in respect of venue hire and ticket sales for events after the balance sheet date.

23. Unrestricted Funds

	1 April 2023 £	Income £	Expenditure £	Transfers £	31 March 2024 £
Unrestricted - general	114,386	2,906,550	(2,987,866)	15,000	48,070
Designated fund - Coccozza project	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
	<u>129,386</u>	<u>2,906,550</u>	<u>(2,987,866)</u>	<u>-</u>	<u>48,070</u>
	<u>114,386</u>	<u>2,271,100</u>	<u>(2,064,247)</u>	<u>-</u>	<u>114,386</u>
Designated fund - Coccozza project	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
	<u>129,386</u>	<u>2,271,100</u>	<u>(2,064,247)</u>	<u>-</u>	<u>129,386</u>

The designated Coccozza project fund for the work in respect of the Coccozza building redevelopment has been transferred as the Coccozza building restoration is now complete.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

24. Restricted Funds

The restricted funds of the Charity comprise the following unexpended balances of donations and grants held on trust to be applied for specific purposes.

	1 April 2023 £	Income £	Expenditure £	Transfers £	31 March 2024 £
Tangible fixed assets fund	4,498,810	-	-	-	4,498,810
Other fund	53,268	74,640	(64,661)	-	63,247
	<u>4,552,078</u>	<u>74,640</u>	<u>(64,661)</u>	<u>-</u>	<u>4,562,057</u>
	1 April 2022 £	Income £	Expenditure £	Transfers £	31 March 2023 £
Tangible fixed assets fund	4,500,590	-	-	(1,780)	4,498,810
Other fund	-	396,308	(343,040)	-	53,268
Heritage Lottery Fund - Bigger, Better, Stronger	(1,780)	-	-	1,780	-
	<u>4,498,810</u>	<u>396,308</u>	<u>(343,040)</u>	<u>-</u>	<u>4,552,078</u>

Tangible Fixed Assets Fund

This restricted fund represents monies received to assist with the purchase of the majority of the Charity's fixed assets and will reduce in line with the associated assets' depreciation policies.

HLF - Bigger, Better, Stronger

In relation to the development phase of the Coccozza building restoration.

25. Transfers between funds

The Heritage Lottery Fund has been transferred into the Tangible Fixed Asset Fund as the Coccozza building restoration is now complete.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

26. Results of trading subsidiary

The results reported in the accounts of Band on the Wall Trading Limited, the Charity's wholly owned subsidiary, for the year-ended 31 March 2024 were as follows:

	2024	2023
	£	£
Turnover and other income	2,219,021	1,394,888
Net cost of sales and administrative expenses	(1,461,647)	(984,846)
Profit before taxation	757,374	410,042
Donation to Inner City Music Limited	(757,374)	(399,074)
Retained in subsidiary for year	-	-
Balance at 31 March 2024	-	-

27. Operating lease commitments

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

	The Group	The Charity	The Group	The Charity
	2024	2024	2023	2023
	£	£	£	£
Within one year	-	-	-	-

28. Capital commitments

	The Group	The Charity	The Group	The Charity
	2024	2024	2023	2023
	£	£	£	£
Within one year	-	-	-	-

29. Analysis of net assets between funds

The Group 2024	General	Designated	Restricted	Total
	Fund	Funds	Funds	Total
	£	£	£	£
Tangible fixed assets	145,385	-	4,786,673	4,932,058
Cash at bank and in hand	-	-	305,840	305,840
Net current and non-current assets/(liabilities)	(97,315)	-	(530,456)	(627,771)
	48,070	-	4,562,057	4,610,127

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

30. Analysis of net assets between funds (continued)

The Group 2023	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	153,325	-	4,786,674	4,939,999
Cash at bank and in hand	-	15,000	471,255	486,255
Net current and non-current assets/(liabilities)	(38,939)	-	(705,851)	(744,790)
	<u>114,386</u>	<u>15,000</u>	<u>4,552,078</u>	<u>4,681,464</u>
	<u><u>114,386</u></u>	<u><u>15,000</u></u>	<u><u>4,552,078</u></u>	<u><u>4,681,464</u></u>
The Charity 2024	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	145,385	-	4,786,673	4,932,058
Investments	1	-	-	1
Cash at bank and in hand	-	-	189,181	189,181
Net current and non-current assets/(liabilities)	(91,610)	-	(419,503)	(511,113)
	<u>53,776</u>	<u>-</u>	<u>4,556,351</u>	<u>4,610,127</u>
	<u><u>53,776</u></u>	<u><u>-</u></u>	<u><u>4,556,351</u></u>	<u><u>4,610,127</u></u>
The Charity 2023	General Fund £	Designated Funds £	Restricted Funds £	Total £ (Restated)
Tangible fixed assets	-	-	4,939,999	4,939,999
Investments	1	-	-	1
Cash at bank and in hand	-	15,000	353,294	368,294
Net current and non-current assets/(liabilities)	120,092	-	(746,922)	(626,830)
	<u>120,093</u>	<u>15,000</u>	<u>4,546,371</u>	<u>4,681,464</u>
	<u><u>120,093</u></u>	<u><u>15,000</u></u>	<u><u>4,546,371</u></u>	<u><u>4,681,464</u></u>

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

31. Cash used in operations		2024	2023
		£	£
	Net movement in funds	(71,337)	260,121
	<i>Adjustments for:</i>		
	Depreciation	24,955	26,924
	Loss on sale of tangible fixed assets	-	178
	<i>Movements in working capital:</i>		
	(Increase)/decrease in stock	7,488	(4,344)
	(Increase)/decrease in debtors	(14,812)	118,385
	Increase/(decrease) in creditors	(150,272)	(516,425)
	Net cash (used in)/generated in operations	(203,978)	(115,161)

32. Reconciliation of net movement in funds to net cash flow from operating activities

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Net movement in funds	(71,337)	260,121	(71,337)	249,153
Add: Depreciation	24,955	26,924	24,955	26,924
Add: Loss on sale of tangible fixed assets	-	178	-	178
Decrease/(increase) in stock	7,488	(4,344)	-	-
Decrease/(increase) in debtors	(14,812)	118,385	2,026	131,315
(Decrease)/increase in creditors	(109,695)	(518,536)	(117,743)	(498,801)
Net cash used in operating activities	(163,401)	(117,272)	(162,099)	(91,231)

33. Net debt reconciliation - Group - Current year

	31 March	Cash flows	31 March
	2023	£	2024
	£	£	£
Cash	486,255	(180,415)	305,840
Loans falling due within one year	(106,501)	68,550	(37,951)
Loans falling due after one year	(241,388)	(109,127)	(350,515)
Net debt	138,366	(220,992)	(82,626)

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2024

33. Net debt reconciliation - Group - Prior year	31 March 2022 £	Cash flows £	31 March 2023 £
Cash	911,793	(425,538)	486,255
Loans falling due within one year	(102,111)	(4,390)	(106,501)
Loans falling due after one year	<u>(247,889)</u>	<u>6,501</u>	<u>(241,388)</u>
Net debt	<u>561,793</u>	<u>(423,427)</u>	<u>138,366</u>

INNER CITY MUSIC LIMITED

England & Wales - Charity number 516351

Accounts

**INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

**Company Registration Number 1893979
Charity Number 516351**

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Financial Statements
Year ended 31 March 2023

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INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Company Information

31 March 2023

Registered charity name:	Band on the Wall
Company registration number:	1893979
Charity number:	516351
Principal address:	25 Swan Street Manchester M4 5JZ
Trustees:	Mr S Sorrell (Chair) Ms L Ashurst Mr J Curnuck Mr R Jones Mr N Reed Mr G Sharp Mr H Sharrock Ms K Gabay
Auditors:	Mitchell Charlesworth (Audit) Limited Statutory Auditors 3 rd Floor 44 Peter Street Manchester M2 5GP
Bankers:	The Co-operative Bank plc 1 Balloon Street Manchester M4 4BE

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report

Year ended 31 March 2023

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

Purposes and Activities

In this first full year of trading in the newly redeveloped and expanded Band on the Wall, Inner City Music focussed on successfully re-launching the venue programme, establishing the learning, outreach, engagement and artist development programmes with a clear focus on the new Mission Statement and public statement 'Where the World Comes to Play' and the focus on the longstanding and historic music traditions of all the city's migrant communities.

Inner City Music celebrates music and its power to engage, inspire and unify. In our venue Band on the Wall and through our wider programmes and activities, we enable all people to discover, explore, enjoy, and participate in the best music from around the world.

We will:

- Promote and celebrate the best music of many cultures, particularly showcasing jazz, folk, reggae, soul, latin, afro, funk, blues and other traditional music from across the world.
- Manage and operate the iconic live music venue Band on the Wall; maintaining its local, national and international reputation as a centre of excellence and innovation through our world-class artistic programmes which celebrate music from across the globe, and through our commitment to support and develop the best of emerging local talent.
- Serve our local communities and musicians by delivering learning programmes that integrate our artistic programmes. These will be open to people of all ages and backgrounds in a mission to establish Band on The Wall as a central space for all the city's communities to learn about the multiple music heritages of the city.
- Champion cultural diversity and promote equality by proactively seeking to reflect our communities in our programmes, participants, audiences, workforce and governance.
- Remove physical and psychological barriers to access by providing the best possible facilities and environment for deaf and disabled people and seeking feedback to inform ongoing evaluation and improvement in this area.
- Improve public knowledge of the rich musical heritage of Band on the Wall and its importance to the social and cultural history of Manchester by providing access to our extensive archive and committing to its ongoing development.

Principally, in the year 2022-23, we prioritised the successful relaunch of Band on the Wall, the launch of the new brand, identity and mission and the significant expansion of our learning, engagement and outreach programmes. By building a clear identity for the core programme; focussing on the musical heritage of Manchester's many migrant communities from across the last two centuries, we have provided a clear, unique and identifiable purpose. Coupled with the wording of the renewed mission we think that we have a clearer message regarding how we work to improve the lives of our communities through the celebration of our collective culture, music and heritage.

While not all the spaces were ready in time for the initial opening (in March 2022), the contractors worked diligently to get them ready for use rapidly thereafter, with ICM being able to take full control of all the spaces in the summer of 2022, with a full 6 day a week programme taking place within the building. This included classes as part of the ongoing partnership with The Manchester College, groups focussed on local engagement, such as the Golden Voices Choir, professional development opportunities, such as the free to access Media Club and those elements clearly focussed on children and families such as the pre-school drop in on Fridays and Saturday 'Journeys' Music Club.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2023

In addition, our schools and outreach learning programmes have continued to connect with our broader communities, with projects focussing on South Asian traditions and contemporary urban song writing in partnership with local schools and other community centres. These programmes have all been financed by the National Lottery Heritage Fund, the Oglesby Charitable Trust and Granada Foundation and we continue to be grateful for their ongoing support.

While this has all built our learning communities in the venue, our schools and learning programmes continued to connect with our broader communities, with projects focussing on South Asian traditions and contemporary urban song writing in partnership with local schools. These programmes have all been financed by the National Lottery Heritage Fund, the Oglesby Charitable Trust and Granada Foundation and we continue to be grateful for their ongoing support.

Of course, none of this would be possible if it was not supported through a robust trading business model, and while there has been learning around the best way to operate during the year, with additional one off re-opening costs and a few trading 'blind alleys', by the end of the year we feel that the trading model within the venue has largely fallen into place.

Achievements and Performance

During the year we hosted a total of 502 events, selling 55k tickets and generating an approximate additional 25k visits to free events in the bar. While the new model has made it more difficult to extract exact numbers around spend per head and actual total attendance, (mainly due to free events and general bar drop ins) the increase in bar turnover (£802k net) compared to prior to the pandemic building expansion (approx. £500k average) demonstrates that the new model has achieved on the principle objective of providing resilience to the organisation's trading and venue operations.

Of the 502 events produced, only 145 were outside promoters and private hirers of the venue, with 357 events being part of our core in-house produced programme; with a significant proportion of those being programmed to fulfil our artistic mission and further demonstrating the unique position we play within the live music sector in the city and region. This part of the programme attracted 24k ticket buyers as well as the entirety of the non-ticketed visits through the free events in the bar as these were all emerging artist showcase events.

If we remove the free events from the analysis, the average attendance has increased to 207 per event with 62 events attracting more than our previous maximum capacity. The most exciting thing about this statistic is that the organisation still has plenty of room for growth and as we continue to develop our brand and tune the model, we expect this to be the case in the coming years (which has certainly been the case so far in 23-24).

In addition, we produced 62 events in other venues during the year, either supported as part of the final elements of the ACE Strategic Touring programmes, initiated prior to 2020 or as part of commercial or other partnership activity, generating a further 12k ticket sales.

Finally, the new learning programmes reached almost one thousand people with almost ten thousand individual experiences; a massive uplift on the organisations reach prior to the pandemic.

Going forward (as of 31st March 2023, refinancing completed November 2023) and now that the capital project is complete, we are looking at refinancing our current loans to take pressure off cash in the coming years.

Financial review

From the point of view of these accounts, performance during the year was strong, but as has already been mentioned, there were quite a few exceptional items of both income and expenditure due to the venue relaunch, ongoing capital work and residual post pandemic funding. The underlying trading continues to require diligence and focus to maintain the core organisation's KPIs of event frequency, average attendance and spend per head.

In addition, we need to be aware and develop adequate systems to measure the required outputs to meet our funders' statutory conditions as stated in those agreements, without that evaluation costing more than is affordable given the lack of any uplift to help cover those additional costs.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2023

Charity

Stripping away the exceptional items, it is clear that we need to close the gap on the overall costs vs income on the programme (£45k behind budget), and going forward we are introducing more ticketing events into the bar and encouraging emerging promoters to produce events in the space.

We also need to work harder to attract sponsorship and other funding (£50k behind budget as per Management Accounts) to help support the programme and mitigate risk while we continue to build and maintain our core work and identity.

Trading

While the bar (catering) turnover is up considerably the additional opening costs did make a dint in the overall contribution being made to the charity (£388k), but we are confident that this will be mitigated going forward. In addition, the recovery in the touring sector indicates that while it still made a good contribution to core in the year of £65k and room rental showed remarkable growth from pre-pandemic periods, contributing £94k to the bottom line.

To some extent the year's finances and final position was additionally bolstered by the successful claim on our insurance (£91k) due to the early Covid shutdown, but as this is an exceptional item, we know that we do need to keep a clear focus on what we can and can't afford in the coming years and make sure that the model balances without exceptional income such as this.

Overall

Inner City Music continued to invest in our core purpose and did so within a controlled financial and operational framework, whilst meeting the expectations of our audiences, stakeholders and funders alike.

Overheads

Core expenditure was closely monitored and well controlled with some ongoing savings throughout the year and we took every opportunity for support as provided by all the various government schemes and initiatives, to reduce costs and liabilities.

Finally, the ongoing support and confidence of Arts Council England and National Lottery Heritage Fund in terms of finance but also through the direct advice and guidance of individual officers, has been absolutely key to enable us to develop a resilient business model. We are also pleased to be able to say that it is becoming ever clearer to convey our charitable mission and attract even greater support, such as through the Oglesby Charitable Trust and Granada Foundations.

Reserves policy

The purpose of the unrestricted fund is to provide funds for the day-to-day running of the charity. Should a deficit be achieved on a specific project, a transfer of funds will be made from the unrestricted funds to cover the deficit.

The company undertakes to maintain reserves to the value of three months' core expenditure against the costs of maintaining the staff team and company assets, principally being the property known as 'Band on the Wall'.

Plans for future periods

We continue to focus on the following core areas of business:

Band on the Wall

The Band on the Wall venue remains at the core of the organisation's activity with the majority of our output taking place within the spaces available. The expansion of the venue has allowed for greater resilience and stability going forward, while providing the charity with a range of additional and more flexible and well-designed spaces.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2023

Creative Learning

This work is being significantly expanded with the development of our own internal programmes supported through NLHF. Plans are in place to continue to develop this programme and NLHF has suggested that they would look favourably on supporting a future bid to extend the programme and we have now been invited to apply for three years' support with the Oglesby Charitable trust.

Touring

Touring work has significantly increased during 23-24 and we will be continuing to build on this part of our work.

Streaming and Online

Our Streaming and online infrastructure is now in place and we will be building this area of work as we continue to generate new content.

Venue Services

We are proactively looking at how we can develop and exploit our venue systems outside of the building whilst also supporting sector development and best practice in other venues.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Working name of the Charity

The working name of the Charity is Band on the Wall. The legal name of Inner City Music Limited remains unchanged.

Recruitment and appointment of Trustees

New trustees are elected by the Council in accordance with the Charity's governing document.

Trustee induction and training

The policy of Inner City Music Limited is to provide each new trustee with a copy of the Charity Commission document 'The Responsible Trustee' and to provide background information about the work of the Charity at an induction session and through the updated Governance Code developed and agreed by the Board during 2012. Trustees are also encouraged to review prior documents, business and development plans, available in the ICM office and through the ICM online Board, Strategic and Staff Handbook Wiki; they are also encouraged to attend training events about charity governance.

Auditors

In accordance with the company's articles, a resolution proposing that Mitchell Charlesworth (Audit) Limited be reappointed as auditor of the company will be put at a General Meeting.

Reference and administrative details

Organisation

The Directors of the charitable company (the Charity) are its Trustees for the purpose of Charity law and Directors for the purpose of Company law.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2023

The Trustees who served the charity during the period were as follows:

Key management personnel: Trustees' and Directors

Chair:	Mr S Sorrell
Trustees:	Ms L Ashurst
	Mr J Curnuck
	Mr R Jones
	Mr D Kaye (resigned 25/07/2023)
	Mr N Reed
	Mr G Sharp (see below)
	Mr H Sharrock
	Ms K Gabay

Key management personnel: Principal staff

Chief Executive:	Mr G Sharp
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The Trustees are responsible for the affairs of the charity. In particular they decide the strategic direction of the Charity and ensure that it is solvent, well-run and fulfils the aims of the Charity. They delegate day-to-day operations and activities to the Chief Executive Officer. Where there is a project of significant scale or risk - as with the ongoing capital project - they take professional advice, including employing experienced consultants and other specialists to ensure that risks are minimised and the best possible result for the Charity is achieved. Their role as employers is also taken seriously and time is given over to ensure compliance within all areas of English employment law.

Staff seek to implement the organisation's business plan currently in place and report on progress on a regular basis to the Board. Regular financial reports are provided to the Board and, when required, consultants' reports are commissioned. The Board has approved a procedure for cheque and online payments and this is implemented by the Finance Manager, Facilities and Projects Manager and CEO.

Risk management

While trading, the broader economy and sector conditions continue to be something we need to carefully monitor, we believe that it is in fact the ability to monitor and evaluate our funders objectives and remain fully compliant with their requirements, represents a risk in the longer term and one that we will be working to mitigate in the remainder of the current funding cycle.

The major risks to which the organisation is exposed, as identified by the Trustees, have been reviewed and systems implemented to mitigate those risks. The management of cash flow during the period remained a priority and despite the challenges creditors were paid as and when due or payment plans put in place. Core costs were well controlled throughout the year and systems established to manage risk.

The business model always pre-supposed an expansion of activity outside of the building and the ICM staff now have systems well established to manage events across the UK. Although this has provided growth, it also comes with risk and this has been noted by both the Trustees.

Operational and event risk management is tracked through a comprehensive operational database, which acts as the venue diary, and is used to project income against expenditure for all events. This sits alongside and provides financial information to the financial management systems managed by the Finance Manager, producing regular management accounts. This system has been enhanced and improved during the year, through additional investment. All systems have been reviewed and developed during the pandemic and capital project and a new database created which provides for more robust tracking of supplies ordered, specifically in regard to the events programme, risk analysis, budgeting and final outcome reporting.

Issues regarding the cost of depreciation to the charity and the impact on the balance sheet have been regularly discussed at Board level and regular reviews by the Finance Sub-Committee, involving the three qualified accountants on the board, the Finance Manager and CEO have all contributed to providing a pathway back to a financially stable position.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)
Year ended 31 March 2023

Trustees' responsibilities in relation to the financial statements

The Charity's Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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.

Statement of disclosure to auditor

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the trustees



Howard Sharrock

Trustee

Dated: 10/01/2024

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited

Year ended 31 March 2023

Opinion

We have audited the financial statements of Inner City Music Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated 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 group's and of the parent company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); 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 group 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt about the charitable company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2023

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the group for the purposes 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 charitable company'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 regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2023

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the organisation's performance;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
 - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charitable company's Statement of Financial Activities, (ii) the charitable company's accounting policy for revenue recognition (iii) the overstatement of salary and other costs, and (iv) the understatement of creditors. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act, the Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the Board of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)
Year ended 31 March 2023

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

Use of our report

This report is made solely to the charitable company'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 charitable company's trustees those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

Alison Buckley (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth (Audit) Limited
Accountants
Statutory Auditor

10/01/2024...

3rd Floor
44 Peter Street
Manchester
M2 5GP

Mitchell Charlesworth (Audit) Limited is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account)
Year ended 31 March 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Income:						(Restated)	(Restated)
Donations and legacies	5	318,834	396,308	715,142	743,980	2,174,786	2,918,766
Other trading income	6	1,394,888	-	1,394,888	375,214	-	375,214
<i>Income from charitable activities:</i>							
Provision of musical works and performances	7	557,378	-	557,378	87,427	-	87,427
Total income		2,271,100	396,308	2,667,408	1,206,621	2,174,786	3,381,407
Expenditure:							
<i>Expenditure on raising funds:</i>							
Commercial trading operation costs		(984,846)	-	(984,846)	(384,560)	-	(384,560)
<i>Expenditure on charitable activities:</i>							
Provision of musical works and performances	8	(1,079,401)	(343,040)	(1,422,441)	(899,234)	-	(899,234)
Total expenditure		(2,064,247)	(343,040)	(2,407,287)	(1,283,794)	-	(1,283,794)
Net incoming/ (outgoing) resources before transfers		206,853	53,268	260,121	(77,173)	2,174,786	2,097,613
Transfers		-	-	-	-	-	-
Net movement of funds in year		206,853	53,268	260,121	(77,173)	2,174,786	2,097,613
<i>Reconciliation of funds:</i>							
Total funds brought forward		(77,467)	4,498,810	4,421,343	(294)	2,324,024	2,323,730
Total funds carried forward		129,386	4,552,078	4,681,464	(77,467)	4,498,810	4,421,343

The Statement of Financial Activities includes all gains and losses in the year and all income and expenditure derives from continuing activities

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Balance Sheet
As at 31 March 2023

	Notes	The Group 2023 £	The Charity 2023 £	The Group 2022 £ (Restated)	The Charity 2022 £ (Restated)
Fixed Assets					
Tangible assets	15	4,939,999	4,939,999	4,658,835	4,658,835
Investments	16	-	1	-	1
		4,939,999	4,940,000	4,658,835	4,658,836
Current assets					
Stock	18	28,333	-	23,989	-
Debtors	19	67,202	137,044	185,587	268,359
Cash at bank and in hand		486,255	368,294	911,793	767,791
		581,790	505,338	1,121,369	1,036,150
Creditors: amounts falling due within one year	20	(598,937)	(522,486)	(1,110,972)	(1,014,786)
Net current assets		(17,147)	(17,148)	10,397	121,364
Total assets less current liabilities		4,922,852	4,922,852	4,421,343	4,432,311
Creditors: amounts falling due after one year	21	(241,388)	(241,388)	(247,889)	(247,889)
Net assets		4,681,464	4,681,464	4,523,454	4,534,421
Funds					
Unrestricted funds:					
General	23	114,386	120,092	(88,434)	(77,467)
Designated	23	15,000	15,000	15,000	15,000
Restricted funds	24	4,552,078	4,546,372	4,494,777	4,494,778
		4,681,464	4,681,464	4,421,343	4,432,311

Company Registration No. 1893979 (England and Wales)

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

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

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

The notes on pages 15 to 31 form part of these accounts.

Consolidated Balance Sheet
As at 31 March 2023

These financial statements were approved by the members of the committee on 10/01/2024 and are signed on their behalf by:



Howard Sharrock
Trustee

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Cash Flows
Year ended 31 March 2023

		2023		2022	
	Note	£	£	£	£
Cash flows from operating activities					
Cash generated in operating activities	31		<u>(117,272)</u>		<u>3,120,078</u>
Net cash from operating activities			(117,272)		3,120,258
Cash used in investing activities					
Purchase of property, plant and equipment		<u>(308,266)</u>		<u>(2,729,299)</u>	
Net cash used in investing activities			(308,266)		(2,729,299)
Net (decrease)/increase in cash and cash equivalents			(425,538)		390,779
Cash and cash equivalents at beginning of year			<u>911,793</u>		<u>521,014</u>
Cash and cash equivalents at end of year			<u>486,255</u>		<u>911,793</u>

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2023

1. Company information

Inner City Music Limited is a private limited company domiciled and incorporated in England and Wales. The registered office is 25 Swan Street, Manchester, M4 5JZ.

2. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

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

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 consolidate the results of the charity and its wholly owned subsidiary Band on the Wall Trading Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Inner City Music Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

At the time of approving the financial statements the trustees have a reasonable expectation that the charitable company 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.

Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

Investment income is recognised on a receivable basis.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2023

2. Accounting Policies (*continued*)

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. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable activities include expenditure associated with the presentation and focus on musical works and performances and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories directly as well as indirectly, based on an appropriate basis.
- Other expenditure represents those items not falling into any other heading.

Funds structure

- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract/monies received. The purpose and use of restricted funds is set out in note 24 to the financial statements.
- General funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

Volunteers

The value of services provided by volunteers is not included in the financial statements.

Donated goods, services and facilities

On any occasion where goods and services are provided to the Charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity. Any goods given to the Charity and held for stock are only recognised in the year that the goods are distributed or used.

Tangible fixed assets

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment	-	5% to 20% reducing balance
Archives	-	10% of cost
Computer equipment	-	20% of cost

The freehold property is stated at market value which is based on regular professional valuations. If a material change is likely, intervening valuations are carried out.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2023

2. Accounting Policies (*continued*)

Fixed asset investments

Investments are stated at cost as the investment relates solely to the wholly owned share capital of its trading subsidiary Band on the Wall Trading Limited.

Pensions

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently fully managed and administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Legal status of the Charity

The company is limited by guarantee and all members have agreed to contribute an amount not exceeding £1 in the event of a winding up. The number of members at the year-end was 8 (2022 - 9).

4. Judgements and key sources of estimation uncertainty

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.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Restricted Funds £ (Restated)	Total Funds 2022 £ (Restated)
<i>Donations</i>						
Private donations	-	5,706	5,706	-	7,095	7,095
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Grants and service level agreements</i>						
Revenue Grants	318,834	-	318,834	743,980	-	743,980
Arts Council of England	-	198,902	198,902	-	1,074,055	1,074,055
Charitable Trusts	-	34,000	34,000	-	10,000	10,000
Heritage Lottery Fund	-	157,700	157,700	-	1,083,636	1,083,636
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	318,834	390,602	709,436	743,980	2,167,691	2,911,671
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	318,834	396,308	715,142	743,980	2,174,786	2,918,766
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

6. Other trading income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Commercial trading operations	1,394,888	-	1,394,888	375,214	-	375,214
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**7. Income from charitable
activities**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Ticket income	441,706	-	441,706	82,630	-	82,630
Other income	115,672	-	115,672	4,797	-	4,797
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	557,378	-	557,378	87,427	-	87,427
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

8. Analysis of expenditure on charitable activities

	Total 2023 £	Total 2022 £
Wages and salaries (excluding Bar wages)	565,371	404,754
Staff related costs	35,096	8,072
Hire of plant and machinery	28,950	21,232
Advertising	129,027	56,124
Musicians' costs	314,122	76,246
Production costs	100,159	44,047
Venue costs	17,367	42,696
Repairs and renewals	7,139	5,995
Capital funding expenditure	41,802	120,010
Central Support costs (note 9)	174,257	106,739
Governance costs (note 9)	9,151	13,319
	1,422,441	899,234

Expenditure on charitable activities was £1,422,421 (2022 - £899,234) of which £1,079,401 (2022 - £899,234) was unrestricted and £343,040 (2022 - £Nil) was restricted.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

9. Analysis of support costs

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, these, along with the remaining support costs, are directly allocated to the various funds attributed to the sole charitable activity undertaken in the year.

	Total 2023 £	Total 2022 £
<i>Central support costs:</i>		
Premises costs	80,733	42,379
Professional fees	5,708	5,675
Telephone	2,370	288
Postage and stationery	784	708
Sundries	47,847	40,500
Travel	7,075	2,343
Bad debts	-	20
Depreciation	26,924	12,748
Loss on disposal of fixed assets	178	-
Bank charges	2,638	2,079
	174,257	106,738
<i>Governance costs:</i>		
Accountancy support	1,301	5,469
Audit fees	7,850	7,850
	9,151	13,319

10. Net income/(expenditure) for the year

	Total 2023 £	Total 2022 £
This is stated after charging:		
Depreciation	26,924	12,748
Auditors fees - for audit services	8,615	7,850

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2023

11. Analysis of staff costs, Trustees' remuneration and the cost of key management personnel

	Total 2023	Total 2022
	£	£
Wages and salaries	611,629	404,420
Social security costs	67,872	37,270
Pension costs	15,655	13,064
	695,156	454,754

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2023	2022
	No.	No.
£60,001 - £70,000	1	1
	1	1

No Trustees received re-imbursement for expenses during the year (2022 - £Nil). The above amount represents the amounts paid to key management personnel of the charity.

12. Staff numbers

The average monthly number of full-time equivalent employees (including casual and part-time staff) employed by the charity during the year was:

	2023	2022
	No.	No.
Management and administration	56	48

13. Pension costs

The charity operates a defined contribution pension scheme, contributions are charged in the statement of financial activities as they accrue. The charge for the year for the Charity was £15,655 (2022 - £13,064).

14. Corporation tax

On the basis of these financial statements no provision has been made for corporation tax.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

15. Tangible fixed assets

The Group and Charity	Freehold property £	Archiving £	Equipment, fixtures & fittings £	Total £
Cost				
At 1 April 2022	4,556,647	37,039	361,491	4,955,177
Additions	230,026	-	78,240	308,266
Disposals/transfers	-	-	(1,325)	(1,325)
At 31 March 2023	4,786,673	37,039	438,406	5,262,118
Depreciation				
At 1 April 2022	-	30,380	265,962	296,342
Charge for the year	-	1,580	25,344	26,924
Disposals	-	-	(1,147)	(1,147)
At 31 March 2023	-	31,960	290,159	322,119
Net book value				
At 31 March 2023	4,786,673	5,079	148,247	4,939,999
At 31 March 2022	4,556,647	6,659	95,529	4,658,835

The historical cost of the freehold property is £7,157,158 (2022 - £7,157,758). The Charity's freehold property interest in 27 & 29 Swan Street was revalued by Beesleys Chartered Surveyors on 30 March 2015. The Trustees consider this value represents the fair current market value of the property at the year-end.

The Arts Council of England holds a fixed and floating charge over the assets of the charitable company dated 12 February 2008, and a charge over the freehold property of the charitable company dated 23 January 2020 and 31 March 2022.

The National Heritage Memorial Fund holds charges dated 15 February 2008 and 27 January 2020 over the freehold property of the charitable company.

At the balance sheet date, Lloyds Bank plc held a fixed and floating charge over the assets of the charitable company dated 10 September 2020. After the year-end the loan was refinanced, and the charge was released.

16. Investments

	The Group 2023 £	The Charity 2023 £	The Group 2022 £	The Charity 2022 £
Historical cost at 31 March 2023	-	1	-	1

The investment above represents the whole of the issued share capital of Band on the Wall Trading Limited, a company incorporated in England and Wales (Company No 09412259).

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

17. Financial instruments	The Group	The Charity	The Group	The Charity
	2023	2023	2022	2022
	£	£	£	£
Carrying amount of financial assets			(Restated)	(Restated)
Debt instruments at amortised cost	553,457	505,338	1,097,380	1,036,150
Equity instruments measured at cost less impairment	-	1	-	1
Carrying amount of financial liabilities				
Measured at amortised cost	598,937	522,489	1,358,862	522,676
18. Stock	The Group	The Charity	The Group	The Charity
	2023	2023	2022	2022
	£	£	£	£
Goods for resale	28,333	-	23,989	-
19. Debtors	The Group	The Charity	The Group	The Charity
	2023	2023	2022	2022
	£	£	£	£
Trade debtors	23,615	1,762	72,123	30,959
Amounts owed by group undertakings in which the charity has a participating interest	-	112,170	-	127,082
Other debtors	15,464	3,739	89,591	86,445
Prepayments and accrued income	28,123	19,373	23,873	23,873
	67,202	137,044	185,587	268,359
20. Creditors: Amounts falling due within one year	The Group	The Charity	The Group	The Charity
	2023	2023	2022	2022
	£	£	(Restated)	(Restated)
	£	£	£	£
Trade creditors	160,482	107,695	713,102	623,510
Loan accounts	106,501	106,501	102,111	102,111
Other taxes and social security	15,844	15,844	10,818	10,818
Other creditors	8,876	4,760	35,690	29,096
Accruals and Deferred Income	307,234	287,686	249,251	249,251
	598,937	522,486	1,110,972	1,014,786

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

21. Creditors: Amounts falling due after one year

	The Group	The Charity	The Group	The Charity
	2023	2023	2022	2022
	£	£	£	£
			(Restated)	(Restated)
Loan accounts	241,388	241,388	247,889	247,889
	241,388	241,388	247,889	247,889

At the balance sheet date, Lloyds Bank plc held a fixed and floating charge over the assets of the charitable company dated 10 September 2020. After the year-end the loan was refinanced, and the charge was released.

22. Deferred income

	2023	2022
	£	£
At 1 April 2022	26,841	26,965
Additions during the year	80,767	-
Amounts released to income	(34,451)	(124)
At 31 March 2023	73,157	26,841

At the balance sheet date, the charity was holding funds received in advance in respect of venue hire and ticket sales for events after the balance sheet date.

23. Unrestricted Funds

	1 April	Income Expenditure		Transfers	31 March
	2022	£	£	£	2023
	£	£	£	£	£
Unrestricted - general	(92,467)	2,271,100	(2,064,247)	-	114,386
Designated fund - Coccozza project	15,000	-	-	-	15,000
	(77,467)	2,271,100	(2,064,247)	-	129,386
	1 April	Income Expenditure		Transfers	31 March
	2021	£	£	£	2022
	£	£	£	£	£
Unrestricted - general	(15,294)	1,206,621	(1,283,794)	-	(92,467)
Designated fund - Coccozza project	15,000	-	-	-	15,000
	(294)	1,206,621	(1,283,794)	-	(77,467)

The Coccozza project fund is designated for the continuing work in respect of the Coccozza building redevelopment.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

24. Restricted Funds

The restricted funds of the charity comprise the following unexpended balances of donations and grants held on trust to be applied for specific purposes.

	1 April 2022 £ (Restated)	Income £	Expenditure £	Transfers £	31 March 2023 £
Tangible fixed assets fund	4,500,590	-	-	(1,780)	4,498,810
Other fund	-	396,308	(343,040)	-	53,268
Heritage Lottery Fund - Bigger, Better, Stronger	(1,780)	-	-	1,780	-
	<u>4,498,810</u>	<u>396,308</u>	<u>(343,040)</u>	<u>-</u>	<u>4,552,078</u>
	1 April 2021 £	Income £	Expenditure £	Transfers £	31 March 2022 £ (Restated)
Tangible fixed assets fund	2,325,804	2,174,786	-	-	4,500,590
Heritage Lottery Fund - Bigger, Better, Stronger	(1,780)	-	-	-	(1,780)
	<u>2,324,024</u>	<u>2,174,786</u>	<u>-</u>	<u>-</u>	<u>4,498,810</u>

Tangible Fixed Assets Fund

This restricted fund represents monies received to assist with the purchase of the majority of the Charity's fixed assets and will reduce in line with the associated assets' depreciation policies.

HLF - Bigger, Better, Stronger

The Heritage Lottery Fund are providing funds in relation to the development phase of the Cocozza building restoration with the development of activity and business plans.

25. Transfers between funds

The Heritage Lottery Fund has been subject to transfer into the Tangible Fixed Asset Fund as the Cocozza building restoration is now complete.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

26. Results of trading subsidiary

The results reported in the accounts of Band on the Wall Trading Limited, the charity's wholly owned subsidiary, for the period ending 31 March 2023 were as follows:

	2023	2022
	£	£
Turnover and other income	1,394,888	375,214
Net cost of sales and administrative expenses	(984,846)	(384,560)
	(10,968)	(9,346)
Donation to Inner City Music Limited	(399,074)	-
Retained in subsidiary for year	-	(9,346)
Balance at 31 March 2023	-	(10,967)

27. Operating lease commitments

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

	The Group	The Charity	The Group	The Charity
	2023	2023	2022	2022
	£	£	£	£
Within one year	-	-	981	981
	-	-	981	981

28. Capital commitments

	The Group	The Charity	The Group	The Charity
	2023	2023	2022	2022
	£	£	£	£
Within one year	-	-	-	-

29. Analysis of net assets between funds

The Group 2023	General	Designated	Restricted	Total
	Fund	Funds	Funds	£
	£	£	£	£
Tangible fixed assets	153,325	-	4,786,674	4,939,999
Cash at bank and in hand	-	15,000	471,255	486,255
Net current and non-current assets/(liabilities)	(38,939)	-	(705,851)	(744,790)
	114,386	15,000	4,552,078	4,681,464

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

30. Analysis of net assets between funds (continued)

The Group 2022	General Fund	Designated Funds	Restricted Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	4,658,835	4,658,835
Cash at bank and in hand	-	15,000	896,793	911,793
Net current and non-current assets/(liabilities)	(88,434)	-	(1,060,851)	(1,149,285)
	(88,434)	15,000	4,494,777	4,421,343
	=====	=====	=====	=====
The Charity 2023	General Fund	Designated Funds	Restricted Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	4,939,999	4,939,999
Investments	1	-	-	1
Cash at bank and in hand	-	15,000	353,294	368,294
Net current and non-current assets/(liabilities)	120,092	-	(746,922)	(626,830)
	120,093	15,000	4,546,371	4,681,464
	=====	=====	=====	=====
The Charity 2022	General Fund	Designated Funds	Restricted Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	4,658,835	4,658,835
Investments	1	-	-	1
Cash at bank and in hand	-	15,000	752,791	767,791
Net current and non-current assets/(liabilities)	(77,466)	-	(916,850)	(994,316)
	(77,466)	15,000	4,494,777	4,432,311
	=====	=====	=====	=====

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

31. Cash used in operations		2023	2022
		£	£
			(Restated)
	Net movement in funds	260,121	2,447,613
	<i>Adjustments for:</i>		
	Depreciation	26,924	12,748
	Loss on sale of tangible fixed assets	178	-
	<i>Movements in working capital:</i>		
	(Increase)/decrease in stock	(4,344)	(23,989)
	(Increase)/decrease in debtors	118,385	(143,772)
	Increase/(decrease) in creditors	(518,536)	827,478
	Net cash (used in)/generated in operations	(117,272)	3,120,078

32. Reconciliation of net movement in funds to net cash flow from operating activities

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Net movement in funds	260,121	2,447,613	249,153	2,106,959
Add: Depreciation	26,924	12,748	26,924	12,748
Add: Loss on sale of tangible fixed assets	178	-	178	-
Decrease/(increase) in stock	(4,344)	(23,989)	-	-
Decrease/(increase) in debtors	(118,385)	(143,772)	131,315	(210,644)
(Decrease)/increase in creditors	(518,536)	827,478	(498,801)	737,811
Net cash used in operating activities	(117,272)	3,120,078	(91,231)	2,835,874

33. Net debt reconciliation - Group - Current year

	31 March	Cash flows	31 March
	2022	£	2023
	£	£	£
Cash	911,793	(425,538)	486,255
Loans falling due within one year	(102,111)	(4,390)	(106,501)
Loans falling due after one year	(247,889)	6,501	(241,388)
Net debt	561,793	(423,427)	138,366

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

33. Net debt reconciliation - Group - Prior year	31 March 2021	Cash flows	31 March 2022
	£	£	£
Cash	521,014	390,779	911,793
Loans falling due within one year	-	(102,111)	(102,111)
Loans falling due after one year	-	(247,889)	(247,889)
Net debt	521,014	40,779	561,793
34. Prior period adjustments and restatements - Group			2022
			£
Reconciliation of changes in unrestricted funds			
As previously reported			(77,467)
Loan accounts previously treated as grant income			-
As adjusted			(77,467)
Reconciliation of changes in restricted funds			
As previously reported			4,848,810
Loan accounts previously treated as grant income			(350,000)
As adjusted			4,498,810
Restatements of changes in income for the previous period			
As previously reported			3,731,407
Loan accounts previously treated as grant income			(350,000)
As restated			3,381,407

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2023

35. Prior period adjustments and restatements - Charity	2022
	£
Reconciliation of changes in unrestricted funds	
As previously reported	(68,121)
Loan accounts previously treated as grant income	-
	<hr/>
As adjusted	(68,121)
	<hr/> <hr/>
Reconciliation of changes in restricted funds	
As previously reported	4,850,432
Loan accounts previously treated as grant income	(350,000)
	<hr/>
As adjusted	4,500,432
	<hr/> <hr/>
Restatements of changes in income for the previous period	
As previously reported	3,356,193
Loan accounts previously treated as grant income	(350,000)
	<hr/>
As restated	3,006,193
	<hr/> <hr/>

During the year-ended 31 March 2022 the £50,000 CAF loan, the £150,000 CAF loan, and the £150,000 CBILS loan were mistakenly analysed as revenue grants in the Charity's accounting records and therefore included in the Statement of Financial Activities. During the year-ended 31 March 2023 this error was noted as repayments of the loans started to be made and therefore these financial statements show the amendments to the Statement of Financial Activities and the Balance Sheet to correct the treatment.

INNER CITY MUSIC LIMITED

England & Wales - Charity number 516351

Accounts

**INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022**

**Company Registration Number 1893979
Charity Number 516351**

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Financial Statements
Year ended 31 March 2022

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INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Company Information

31 March 2022

Registered charity name: Band on the Wall

Company registration number: 1893979

Charity number: 516351

Principal address: 25 Swan Street
Manchester
M4 5JZ

Trustees: Mr S Sorrell (Chair)
Ms L Ashurst
Mr J Curnuck
Mr R Jones
Mr D Kaye
Mr N Reed
Mr G Sharp
Mr H Sharrock
Ms K Gabay

Auditors: Mitchell Charlesworth (Audit) Limited
Statutory Auditors
3rd Floor
44 Peter Street
Manchester
M2 5GP

Bankers: The Co-operative Bank plc
1 Balloon Street
Manchester
M4 4BE

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report

Year ended 31 March 2022

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

Purposes and Activities

In the period, ICM revisited and refreshed its purpose, mission and statements of intent, providing a clear narrative to support the organisation's activities to reflect the expanded building and integration of learning activity, and the changing environment in which it works.

Inner City Music celebrates music and its power to engage, inspire and unify. In our venue Band on the Wall and through our wider programmes and activities, we enable all people to discover, explore, enjoy, and participate in the best music from around the world.

We will:

- Promote and celebrate the best music of many cultures, particularly showcasing jazz, folk, reggae, soul, latin, afro, funk, blues and other traditional music from across the world.
- Manage and operate the iconic live music venue Band on the Wall; maintaining its local, national and international reputation as a centre of excellence and innovation through our world-class artistic programmes which celebrate music from across the globe, and through our commitment to support and develop the best of emerging local talent.
- Serve our local communities and musicians by delivering learning programmes that integrate our artistic programmes. These will be open to people of all ages and backgrounds in a mission to establish Band on The Wall as a central space for all the city's communities to learn about the multiple music heritages of the city.
- Champion cultural diversity and promote equality by proactively seeking to reflect our communities in our programmes, participants, audiences, workforce and governance.
- Remove physical and psychological barriers to access by providing the best possible facilities and environment for deaf and disabled people and seeking feedback to inform ongoing evaluation and improvement in this area.
- Improve public knowledge of the rich musical heritage of Band on the Wall and its importance to the social and cultural history of Manchester by providing access to our extensive archive and committing to its ongoing development.

Principally, in the year 2021-22, we continued to work towards completion of the new, expanded, Band on the Wall development (which re-opened in March 2022), the launch of the new brand, identity and mission; (alongside some limited Covid related project based delivery, funded by Arts Council England), and some ongoing organisational re-structuring. The NLHF work was largely delivered online due to the restrictions at the time. There remained significant challenges around the planning of the re-launch, not least the ongoing erratic and changing nature of the live music industry in late 2021 and into 2022, alongside the impact that was being felt by the final stages of the project by the construction industry, which provided ongoing uncertainty throughout the period of the actual likely re-opening date of the venue. Despite these challenges, and with the ongoing support of our principle funding partners, we were able to retain the staff team to be able to successfully ensure that the re-opening programme was booked and marketed, the events produced and the building completed. To this end we can say that we enjoyed good levels of communications between all those involved in the project, including design team, contractors, funders and other external agencies, alongside our own ICM staff team. The technical point of PC exists beyond the 2021-22 year, but the principle areas were completed in the year and we were able to start trading once again in March 2022, just prior to this year end.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2022

Achievements and Performance

Our principal achievement of the year was progressing the capital project, completing the principle performance venue areas in Band on the Wall.

We opened on the 3rd March with a sold out performance by the renowned jazz performer, Emma Jean Thackray which kicked off our opening programme, aligned with our new mission, to celebrate the music and culture of people from across the world, specifically to align with the various migrant communities of the city of Manchester.

Despite all the challenges, we still managed to deliver an ongoing and busy learning programme. Principally online, this included workshops featuring artists from across the world and a regular online choir. In addition, we re-started our schools programme, focussing on South East Asian music traditions, and re-started some of our other engagement programmes, working principally at Halle St Michael's in Ancoats.

Financial review

Financial activity principally falls into four main areas, Capital, a small amount of trading revenue (March 22), project funding and Covid (CRF – Arts Council / DCMS) related funding designed to keep the organisation intact through the pandemic. As such the accounts vary enormously from a set of standard trading year accounts. The significant uplift on the balance sheet is almost entirely due to capital investment, all of which is restricted, and represents an asset 'under construction'. This will be revalued during the next financial year to provide an accurate balance sheet position.

Other restricted funds include specific project support for the learning programme funded by NLHF and are drawn down as part of the capital funding.

The unrestricted funds include the CRF funding, core NPO funds, and the small amount of trading revenue generated during March 2022.

As a consequence, BotW Trading did not make a contribution in the year as significant start-up costs were incurred in setting up the new operation, specifically around training and establishing the trading model.

Charity

Inner City Music continued to invest in our core purpose and did so within a controlled financial and operational framework, whilst meeting the expectations of our audiences, stakeholders and funders alike.

Trading

As stated, trading was minimal and no contribution was made from the trading sub to the charity during the year.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2022

Overheads

Core expenditure was closely monitored and well controlled with some ongoing savings throughout the year and we took every opportunity for support as provided by all the various government schemes and initiatives, to reduce costs and liabilities.

Finally, the ongoing support and confidence of Arts Council England, both in terms of finance but also through the direct advice and guidance of individual officers, has been absolutely key to enable us to develop a resilient business model. We are also delighted that ACE is now joined by the National Lottery Heritage Fund in being a core funder, helping to support our programmes as well as the capital project and recognising the organisation for our contribution to the city's cultural heritage and the impact we have on communities across the city.

Reserves policy

The purpose of the unrestricted fund is to provide funds for the day-to-day running of the charity. Should a deficit be achieved on a specific project, a transfer of funds will be made from the unrestricted funds to cover the deficit.

The company undertakes to maintain reserves to the value of three months' core expenditure against the costs of maintaining the staff team and company assets, principally being the property known as 'Band on the Wall'

Plans for future periods

We continue to focus on the following core areas of business:

Band on the Wall

The Band on the Wall venue remains at the core of the organisation's activity with the majority of our output taking place within the spaces available. The expansion of the venue will allow for greater resilience and stability going forward, while providing the charity with a range of additional and more flexible and well-designed spaces.

Creative Learning

This work is being significantly expanded with the development of our own internal programmes supported through NLHF. Plans are in place to continue to develop this programme and NLHF has suggested that they would look favourably on supporting a future bid to extend the programme.

Touring

Touring work was almost non-existent in the period and the various challenges faced by international artists due to restrictions on crossing into the UK, problems with issuing visas and ongoing Covid restrictions in the 21-22 period continued to disincentivise artists coming to the UK.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Working name of the Charity

The working name of the Charity is Band on the Wall. The legal name of Inner City Music Limited remains unchanged.

Recruitment and appointment of Trustees

New trustees are elected by the Council in accordance with the charity's governing document.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2022

Trustee induction and training

The policy of Inner City Music Limited is to provide each new trustee with a copy of the Charity Commission document 'The Responsible Trustee' and to provide background information about the work of the Charity at an induction session and through the updated Governance Code developed and agreed by the Board during 2012. Trustees are also encouraged to review prior documents, business and development plans, available in the ICM office and through the ICM online Board, Strategic and Staff Handbook Wiki; they are also encouraged to attend training events about charity governance.

Auditors

In accordance with the company's articles, a resolution proposing that Mitchell Charlesworth (Audit) Limited be reappointed as auditor of the company will be put at a General Meeting.

Reference and administrative details

Organisation

The Directors of the charitable company (the Charity) are its Trustees for the purpose of Charity law and Directors for the purpose of Company law.

The Trustees who served the charity during the period were as follows:

Key management personnel: Trustees' and Directors

Chair:	Mr S Sorrell
Trustees:	Ms L Ashurst
	Mr J Curnuck
	Mr R Jones
	Mr D Kaye
	Mr N Reed
	Mr G Sharp (see below)
	Mr H Sharrock
	Ms K Gabay

Key management personnel: Principal staff

Chief Executive:	Mr G Sharp
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The Trustees are responsible for the affairs of the charity. In particular they decide the strategic direction of the Charity and ensure that it is solvent, well-run and fulfils the aims of the Charity. They delegate day-to-day operations and activities to the Chief Executive Officer. Where there is a project of significant scale or risk - as with the ongoing capital project - they take professional advice, including employing experienced consultants and other specialists to ensure that risks are minimised and the best possible result for the Charity is achieved. Their role as employers is also taken seriously and time is given over to ensure compliance within all areas of English employment law.

Staff seek to implement the organisation's business plan currently in place and report on progress on a regular basis to the Board. Regular financial reports are provided to the Board and, when required, consultants' reports are commissioned. The Board has approved a procedure for cheque and online payments and this is implemented by the Finance Manager, Facilities and Projects Manager and CEO.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2022

Risk management

The major risks to which the organisation is exposed, as identified by the Trustees, have been reviewed and systems implemented to mitigate those risks. The management of cash flow during the period remained a priority and despite the challenges creditors were paid as and when due or payment plans put in place. Core costs were well controlled throughout the year and systems established to manage risk.

The business model always pre-supposed an expansion of activity outside of the building and the ICM staff now have systems well established to manage events across the UK. Although this has provided growth, it also comes with risk and this has been noted by both the Trustees.

Risk management

Operational and event risk management is tracked through a comprehensive operational database, which acts as the venue diary, and is used to project income against expenditure for all events. This sits alongside and provides financial information to the financial management systems managed by the Finance Manager, producing regular management accounts. This system has been enhanced and improved during the year, through additional investment. All systems have been reviewed and developed during the pandemic and capital project and a new database created which provides for more robust tracking of supplies ordered, specifically in regard to the events programme, risk analysis, budgeting and final outcome reporting.

Issues regarding the cost of depreciation to the charity and the impact on the balance sheet have been regularly discussed at Board level and regular reviews by the Finance Sub-Committee, involving the three qualified accountants on the board, the Finance Manager and CEO have all contributed to providing a pathway back to a financially stable position.

Trustees' responsibilities in relation to the financial statements

The Charity's Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)
Year ended 31 March 2022

Statement of disclosure to auditor

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the trustees



Howard Sharrock

Trustee

Dated: 22/12/2022

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited

Year ended 31 March 2022

Opinion

We have audited the financial statements of Inner City Music Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated 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 group's and of the parent company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); 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 group 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 the provisions available for small entities, in the circumstances set out in note 27, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt about the charitable company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2022

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the group for the purposes 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 charitable company'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 regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2022

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the organisation's performance;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
 - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charitable company's Statement of Financial Activities, (ii) the charitable company's accounting policy for revenue recognition (iii) the overstatement of salary and other costs, and (iv) the understatement of creditors. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act, the Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the Board of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)
Year ended 31 March 2022

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

Use of our report

This report is made solely to the charitable company'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 charitable company's trustees those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

Alison Buckley (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth (Audit) Limited
Accountants
Statutory Auditor

22/12/2022
.....

3rd Floor
44 Peter Street
Manchester
M2 5GP

Mitchell Charlesworth (Audit) Limited is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account)
Year ended 31 March 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Income:							
Donations and legacies	5	743,980	2,524,786	3,268,766	526,363	919,108	1,445,471
Other trading income	6	375,214	-	375,214	190,405	-	190,405
<i>Income from charitable activities:</i>							
Provision of musical works and performances	7	87,427	-	87,428	59	-	59
Total income		1,206,621	2,524,786	3,731,407	716,827	919,108	1,635,935
Expenditure:							
<i>Expenditure on raising funds:</i>							
Commercial trading operation costs		(384,560)	-	(384,560)	192,027	-	192,027
<i>Expenditure on charitable activities:</i>							
Provision of musical works and performances	8	(899,234)	-	(899,234)	655,888	2,740	658,628
Total expenditure		(1,283,794)	-	(1,283,794)	847,915	2,740	850,655
Net incoming/ (outgoing) resources before transfers		(77,173)	2,524,786	2,447,613	(131,088)	916,368	785,280
Transfers		-	-	-	-	-	-
Net Movement of funds in year		(77,173)	2,524,786	2,447,613	(131,088)	916,368	785,280
<i>Reconciliation of funds:</i>							
Total funds brought forward		(294)	2,324,024	2,323,730	130,794	1,407,656	1,538,450
Total funds carried forward		(77,467)	4,848,810	4,771,343	(294)	2,324,024	2,323,730

The Statement of Financial Activities includes all gains and losses in the year and all income and expenditure derive from continuing activities

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Balance Sheet
As at 31 March 2022

	Notes	The Group 2022 £	The Charity 2022 £	The Group 2021 £	The Charity 2021 £
Fixed Assets					
Tangible assets	16	4,658,835	4,658,835	1,942,284	1,924,284
Investments	17	-	1	-	1
		<u>4,658,835</u>	<u>4,658,836</u>	<u>1,942,284</u>	<u>1,924,285</u>
Current assets					
Stock	19	23,989	-	-	-
Debtors	20	185,587	268,359	41,815	57,715
Cash at bank and in hand		911,793	767,791	521,014	500,219
		<u>1,121,369</u>	<u>1,036,150</u>	<u>562,829</u>	<u>557,934</u>
Creditors: amounts falling due within one year	21	(1,008,861)	(912,675)	(181,383)	(174,867)
Net current assets		112,508	123,474	381,446	383,067
Net assets		4,771,343	4,782,311	2,323,730	2,325,352
Funds					
Unrestricted funds:					
General	23	(88,434)	(77,467)	(15,294)	(15,294)
Designated	23	15,000	15,000	15,000	15,000
Restricted funds	24	4,844,777	4,844,778	2,324,024	2,325,646
		<u>4,771,343</u>	<u>4,782,311</u>	<u>2,323,730</u>	<u>2,325,352</u>

For the year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

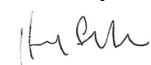
The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

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

The notes on pages 15 to 28 form part of these accounts.

These financial statements were approved by the members of the committee on 22/12/22 and are signed on their behalf by:



Howard Sharrock
Trustee

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Cash Flows
Year ended 31 March 2022

		2022		2021	
	Note	£	£	£	£
Cash flows from operating activities					
Cash generated in operating activities	29		<u>3,120,078</u>		<u>774,743</u>
Net cash from operating activities			3,120,258		774,743
Cash used in investing activities					
Purchase of property, plant and equipment		<u>(2,729,299)</u>		<u>(442,308)</u>	
Net cash used in investing activities			(2,729,299)		(442,308)
Net increase in cash and cash equivalents			390,779		332,435
Cash and cash equivalents at beginning of year			<u>521,014</u>		<u>188,579</u>
Cash and cash equivalents at end of year			<u>911,793</u>		<u>521,014</u>

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2022

1. Company information

Inner City Music Limited is a private limited company domiciled and incorporated in England and Wales. The registered office is 25 Swan Street, Manchester, M4 5JZ.

2. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

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

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 consolidate the results of the charity and its wholly owned subsidiary Band on the Wall Trading Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Inner City Music Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

At the time of approving the financial statements the trustees have a reasonable expectation that the charitable company 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.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

Investment income is recognised on a receivable basis.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2022

2. Accounting Policies (*continued*)

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. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable activities include expenditure associated with the presentation and focus on musical works and performances and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories directly as well as indirectly, based on an appropriate basis.
- Other expenditure represents those items not falling into any other heading.

Funds structure

- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract/monies received. The purpose and use of restricted funds is set out in note 23 to the financial statements.
- General funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

Volunteers

The value of services provided by volunteers is not included in the financial statements.

Donated goods, services and facilities

On any occasion where goods and services are provided to the Charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity. Any goods given to the Charity and held for stock are only recognised in the year that the goods are distributed or used.

Tangible fixed assets

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment	-	5% to 20% reducing balance
Archives	-	10% of cost
Computer equipment	-	20% of cost

The freehold property is stated at market value which is based on regular professional valuations. If a material change is likely, intervening valuations are carried out.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2022

2. Accounting Policies (*continued*)

Fixed asset investments

Investments are stated at cost as the investment relates solely to the wholly owned share capital of its trading subsidiary Band on the Wall Trading Limited.

Pensions

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently fully managed and administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Legal status of the Charity

The company is limited by guarantee and all members have agreed to contribute an amount not exceeding £1 in the event of a winding up. The number of members at the year-end was 9 (2021: 10).

4. Judgements and key sources of estimation uncertainty

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.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2022

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
<i>Donations</i>						
Private donations	-	7,095	7,095	22,570	10,000	32,570
<i>Grants and service level agreements</i>						
Revenue Grants	743,890	-	743,890	-	-	-
Arts Council of England	-	1,274,055	1,274,055	503,793	513,035	1,016,828
Charitable Trusts	-	10,000	10,000	-	62,500	62,500
Heritage Lottery Fund	-	1,083,636	1,083,636	-	183,573	183,573
Lloyds Bank – Capital Funding Loan	-	150,000	150,000	-	150,000	150,000
	743,890	2,517,691	3,261,671	503,793	909,108	1,412,901
	743,890	2,524,786	3,268,766	526,363	919,108	1,445,471

6. Other trading income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Commercial trading operations	375,214	-	375,214	190,405	-	190,405

7. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Ticket income	82,630	-	82,630	-	-	-
Other income	4,797	-	4,797	59	-	59
	87,427	-	87,427	59	-	59

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2022

8. Analysis of expenditure on charitable activities

	Total 2022 £	Total 2021 £
Wages and salaries (excluding Bar)	404,754	434,855
Staff related costs	8,072	100
Hire of plant and machinery	21,232	214
Advertising	56,124	48
Musicians' costs	76,246	24,604
Production costs	44,047	19,560
Venue costs	42,696	543
Repairs and renewals	5,996	7,944
Capital funding expenditure	120,010	2,740
Support costs (note 10)	106,739	156,179
Governance costs (note 10)	13,319	11,841
	899,234	658,628

Expenditure on charitable activities was £899,234 (2021: £658,628) of which £899,234 (2021: £655,888) was unrestricted and £Nil (2021: £2,740) was restricted.

9. Summary analysis of expenditure and related income for charitable activities

	Total 2022 £	Total 2021 £
Costs	(899,234)	(658,628)
Direct grant support	-	503,793
Net expenditure on charitable activities	(899,234)	(154,835)

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2022

10. Analysis of support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, these, along with the remaining support costs, are directly allocated to the various funds attributed to the sole charitable activity undertaken in the year.

	Total 2022 £	Total 2021 £
<i>Central support costs:</i>		
Wages and salaries	-	1,616
Premises costs	42,379	72,051
Professional fees	5,675	21,493
Telephone	288	6,169
Postage and stationery	708	242
Advertising	-	3,080
Sundries	40,500	6,934
Travel	2,343	68
Bad debts	20	17,954
Depreciation	12,748	17,220
Loss on disposal of fixed assets	-	5,660
Bank charges	2,079	3,692
	<hr/>	<hr/>
		156,179
<i>Governance costs:</i>		
Accountancy support	5,469	3,591
Audit fees	7,850	8,250
	<hr/>	<hr/>
	13,319	168,020
	<hr/> <hr/>	<hr/> <hr/>

11. Net income/(expenditure) for the year

	Total 2022 £	Total 2021 £
This is stated after charging:		
Depreciation	12,748	17,220
Auditors fees - for audit services	7,850	8,250
	<hr/> <hr/>	<hr/> <hr/>

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2022

12. Analysis of staff costs, trustees' remuneration and the cost of key management personnel

	Total 2022 £	Total 2021 £
Wages and salaries	404,420	425,174
Social security costs	37,270	33,415
Pension costs	13,064	9,201
	404,754	467,790

The number of employees who received total employee benefits (excluding employer pension costs of more than £60,000) is as follows:

	2022 No.	2021 No.
£60,001 - £70,000	1	1
	1	1

No Trustees received re-imbusement for expenses during the year (2021: £Nil). The above amount represents the amounts paid to key management personnel of the charity.

13. Staff numbers

The average monthly number of full-time equivalent employees (including casual and part-time staff) employed by the charity during the year was:

	2022 No.	2021 No.
Management and administration	17	27

14. Pension costs

The charity operates a defined contribution pension scheme, contributions are charged in the statement of financial activities as they accrue. The charge for the year for the charity was £13,064 (2021: £9,201).

15. Corporation tax

On the basis of these financial statements no provision has been made for corporation tax.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2022

16. Tangible fixed assets

The Group and Charity	Freehold property £	Assets under construction £	Archiving £	Equipment, fixtures & fittings £	Total £
Cost					
At 1 April 2021	1,175,000	652,349	37,039	361,491	2,225,879
Additions	2,729,298		-	-	2,729,298
Disposals/transfers	652,349	(652,349)			-
At 31 March 2022	4,556,647	-	37,039	361,491	4,955,177
Depreciation					
At 1 April 2021	-	-	28,800	254,794	283,594
Charge for the year	-	-	1,580	11,168	12,748
Disposals	-				
At 31 March 2022	-	-	30,380	265,962	296,341
Net book value					
At 31 March 2022	4,556,647	-	6,659	95,529	4,658,835
At 31 March 2021	1,175,000	652,349	8,239	106,697	1,942,284

The historical cost of the freehold property is £7,157,758 (2021: £3,776,111). The Charity's freehold property interest in 27 & 29 Swan Street was revalued by Beesleys Chartered Surveyors on 30 March 2015. The Trustees consider this value represents the fair current market value of the property.

The Arts Council of England holds a fixed and floating charge over the assets of the charitable company dated 12 February 2008, and a charge over the freehold property of the charitable company dated 23 January 2020 and 31 March 2021.

The National Heritage Memorial Fund holds charges dated 15 February 2008 and 27 January 2020 over the freehold property of the charitable company.

Lloyds Bank plc holds a fixed and floating charge over the assets of the charitable company dated 10 September 2020.

17. Investments

	The Group 2022 £	The Charity 2022 £	The Group 2021 £	The Charity 2021 £
Market value at 31 March 2022	-	1	-	1
Historical cost at 31 March 2022	-	1	-	1

The investment above represents the whole of the issued share capital of Band on the Wall Trading Limited, a company incorporated in England and Wales (Company No 09412259).

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2022

18. Financial instruments	The Group	The Charity	The Group	The Charity
	2022	2022	2021	2021
	£	£	£	£
Carrying amount of financial assets				
Debt instruments at amortised cost	1,097,380	1,035,850	562,829	557,935
Equity instruments measured at cost less impairment	-	1	-	1
Carrying amount of financial liabilities				
Measured at amortised cost	1,008,862	912,676	181,382	174,867
19. Stock	The Group	The Charity	The Group	The Charity
	2022	2022	2021	2021
	£	£	£	£
Goods for resale	23,989	-	-	-
20. Debtors	The Group	The Charity	The Group	The Charity
	2022	2022	2021	2021
	£	£	£	£
Trade debtors	72,123	30,959	130	33
Amounts owed by group undertakings in which the charity has a participating interest	-	127,082	-	16,560
Other debtors	89,591	86,445	41,444	40,882
Prepayments and accrued income	23,873	23,873	241	240
	185,587	268,359	41,815	57,715
21. Creditors: Amounts falling due within one year	The Group	The Charity	The Group	The Charity
	2022	2022	2021	2021
	£	£	£	£
Trade creditors	713,102	623,510	31,437	30,822
Other taxes and social security	10,818	10,818	9,087	9,087
Other creditors	35,690	29,096	8,020	8,020
Accruals and Deferred Income	249,251	249,251	132,839	126,938
	1,008,861	912,675	181,383	174,867

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2022

22. Deferred income

	2022	2021
	£	£
At 1 April 2021	26,965	61,665
Additions during the year	-	-
Amounts released to income	(124)	(34,700)
	<u>26,841</u>	<u>26,965</u>
At 31 March 2022	26,841	26,965

At the balance sheet date, the charity was holding funds received in advance in respect of venue hire and ticket sales for events after the balance sheet date.

23. Unrestricted Funds

	1 April 2021	Income	Expenditure	Transfers	31 March 2022
	£	£	£	£	£
Unrestricted - general	(15,294)	1,206,621	(1,283,794)	-	(92,467)
Designated fund - Coccozza project	15,000	-	-	-	15,000
	<u>(294)</u>	<u>1,206,621</u>	<u>(1,283,794)</u>	<u>-</u>	<u>(77,467)</u>
	<u>1 April 2020</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>31 March 2021</u>
	£	£	£	£	£
Unrestricted - general	115,794	716,827	(847,915)	-	(15,294)
Designated fund - Coccozza project	15,000	-	-	-	15,000
	<u>130,794</u>	<u>716,827</u>	<u>(847,915)</u>	<u>-</u>	<u>(294)</u>

The Coccozza project fund is designated for the continuing work in respect of the Coccozza building redevelopment.

INNER CITY MUSIC LIMITED
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Notes to the Financial Statements
Year ended 31 March 2022

24. Restricted Funds

The restricted funds of the charity comprise the following unexpended balances of donations and grants held on trust to be applied for specific purposes.

	1 April 2021 £	Income £	Expenditure £	Transfers £	31 March 2022 £
Tangible fixed assets fund	2,325,804	2,524,786	-	-	4,850,590
Heritage Lottery Fund - Bigger, Better, Stronger	(1,780)	-	-	-	(1,780)
	<u>2,324,024</u>	<u>2,524,786</u>	<u>-</u>	<u>-</u>	<u>4,848,810</u>
	1 April 2020 £	Income £	Expenditure £	Transfers £	31 March 2021 £
Tangible fixed assets fund	1,409,436	919,108	(2,740)	-	2,325,804
Heritage Lottery Fund - Bigger, Better, Stronger	(1,780)	-	-	-	(1,780)
	<u>1,407,656</u>	<u>919,108</u>	<u>(2,740)</u>	<u>-</u>	<u>2,324,024</u>

Tangible Fixed Assets Fund

This restricted fund represents monies received to assist with the purchase of the majority of the Charity's fixed assets and will reduce in line with the associated assets' depreciation policies.

HLF - Bigger, Better, Stronger

The Heritage Lottery Fund are providing funds in relation to the development phase of the Cocozza building restoration with the development of activity and business plans.

25. Transfers between funds

No transfers between funds have been made in the year.

INNER CITY MUSIC LIMITED
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Notes to the Financial Statements
Year ended 31 March 2022

26. Results of trading subsidiary

The results reported in the accounts of Band on the Wall Trading Limited, the charity's wholly owned subsidiary, for the period ending 31 March 2022 were as follows:

	2022	2021
	£	£
Turnover and other income	375,214	190,405
Net cost of sales and administrative expenses	(384,560)	(192,027)
	(9,346)	(1,622)
Donation to Inner City Music Limited	-	-
Retained in subsidiary for period	(9,346)	(1,622)
Balance at 31 March 2022	(10,967)	(1,622)

27. Operating lease commitments

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

	The Group	The Charity	The Group	The Charity
	2022	2022	2021	2021
	£	£	£	£
Within one year	981	981	981	981
Between two and five years	-	-	-	-
	981	981	981	981

28. Capital commitments

	The Group	The Charity	The Group	The Charity
	2022	2022	2021	2021
	£	£	£	£
Within one year	-	-	1,687,634	1,687,634

29. Analysis of net assets between funds

The Group 2022	General	Designated	Restricted	Total
	Fund	Funds	Funds	Funds
	£	£	£	£
Tangible fixed assets	-	-	4,658,835	4,658,835
Cash at bank and in hand	-	15,000	896,793	911,793
Net current assets/(liabilities)	(88,434)	-	(710,851)	(799,285)
	(88,434)	15,000	4,844,777	4,771,343

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2022

29. Analysis of net assets between funds (continued)

The Group 2021	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	77,092	-	1,847,192	1,924,284
Cash at bank and in hand	-	15,000	506,014	521,014
Net current assets	(92,386)	-	(29,182)	(121,568)
	(15,294)	15,000	2,324,024	2,323,730
The Charity 2022	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	-	-	4,658,835	4,658,835
Investments	1	-	-	1
Cash at bank and in hand	-	15,000	752,791	767,791
Net current assets	(77,466)	-	(566,850)	(644,316)
	(77,466)	15,000	4,844,777	4,782,311
The Charity 2021	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	77,092	-	1,847,192	1,942,284
Investments	1	-	-	1
Cash at bank and in hand	-	15,000	485,219	500,219
Net current assets	(92,387)	-	(6,765)	(99,152)
	(15,294)	15,000	2,325,646	2,325,352

INNER CITY MUSIC LIMITED
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Notes to the Financial Statements
Year ended 31 March 2022

30. Cash used in operations	2022	2021
	£	£
Net movement in funds	2,447,613	785,280
<i>Adjustments for:</i>		
Depreciation	12,748	17,220
Loss on sale of tangible fixed assets	-	5,659
<i>Movements in working capital:</i>		
(Increase)/decrease in stock	(23,989)	9,945
(Increase)/decrease in debtors	(143,772)	34,787
Increase/(decrease) in creditors	827,478	(78,149)
Net cash generated in operations	3,120,078	774,743

A reconciliation of funds has not been presented as there are no loans, overdrafts, or other financing.

INNER CITY MUSIC LIMITED

England & Wales - Charity number 516351

Accounts

**INNER CITY MUSIC LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

**Company Registration Number 1893979
Charity Number 516351**

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Financial Statements
Year ended 31 March 2021

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INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Company Information

31 March 2021

Registered charity name: Band on the Wall

Company registration number: 1893979

Charity number: 516351

Principal address: 25 Swan Street
Manchester
M4 5JZ

Trustees: Mr S Sorrell (Chair)
Ms L Ashurst
Mr J Curnuck
Mr R Jones
Mr D Kaye
Mr N Reed
Mr G Sharp
Mr H Sharrock
Ms K Gabay

Auditors: Mitchell Charlesworth LLP
Chartered Accountants and Statutory Auditors
3rd Floor
44 Peter Street
Manchester
M2 5GP

Bankers: The Co-operative Bank plc
1 Balloon Street
Manchester
M4 4BE

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report

Year ended 31 March 2021

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

Purposes and Activities

To enrich people's lives by enabling them to access, enjoy and participate in the best music of many cultures in a stimulating, social and conducive environment.

The principle objective of the charity is to promote in the City of Manchester and elsewhere the aesthetic education of the public by facilitating the presentation of musical works and performances of the highest skill and artistic merit and especially meritorious works, and performances of the music of many cultures from around the world, particularly focusing on improvisatory, jazz, folk and other music derived of any and all indigenous traditions, focusing on contemporary projects and artistic excellence.

- To build upon the concept of Band on the Wall as an internationally important live music venue - a centre of excellence and innovation for Greater Manchester, the region and the UK.
- To embrace new technologies, new modes of expression and integrate events that combine music and moving image into core programme.
To remove physical and psychological barriers to access, particularly by provision of the best possible facilities and environment for disabled people, whether members of the audience, artists, staff or students.
- To support cultural diversity in its widest sense, in particular by presenting programmes and developing new audiences which reflect the diversity of people in the City, the region and the UK.
- To provide an integrated education programme, developing as a centre for community music for people of all ages but including specific programmes for young people, and to fill identifiable gaps in provision in Greater Manchester, including in music technology and "multimedia" with a music emphasis.
- To improve knowledge of and access to our rich musical heritage; to conserve and enhance Band on the Wall as a music venue and encourage public awareness of the building's importance to the social and cultural history of Manchester.
- To contribute to and benefit from the regeneration and cultural animation and increasing international profile of the Northern Quarter, the City and the North West region.
- To provide a secure financial and operational long-term framework for the organisation and its activities.
- To expand and develop the activities of Inner City Music beyond the boundaries of the physical venue; by developing partnerships with complementary organisations, exploiting commercial opportunities by providing our specialist expertise to other companies and agencies, and developing new opportunities as and when they arise.

The year 2020-21 was dominated by the unfolding global Covid-19 pandemic and the impact that it had on the live music sector, and our specific plans. As we had always intended to close Band on the Wall in the period, and open a pop up venue and concentrate on touring, the impact of the pandemic made this strategy irrelevant on undeliverable. However, the associated additional sector support funding mitigated some of the risk of this strategy with unassured earnings being replaced with public funding, but at the start of the year this was not clear nor assured. A lot of time and effort was expended on emergency planning while also working on the timely delivery of the capital project, but as the government strategy for supporting the cultural sector was rolled out it became clear that as long as we maintained a clear direction of travel and made amendments to our plans to deliver a venue fit for a post covid world, we would be able to access the support required to successfully deliver the project, if not quite within the time frame originally hoped.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)
Year ended 31 March 2021

Achievements and Performance

Our principal achievement of the year was initiating and progressing the capital project which started on the first Monday of April, the first week of lockdown, despite all the obvious challenges. By the time the second lockdown came around in November 2020 all the drawings were in produced, a full traditional tender process was completed and a contractor had been appointed (Citybuild). While this provided momentum, it is clear that the impact of restrictions due to the pandemic, along with supply chain issues, was detrimental to progress on site with an early discovery of asbestos and a realisation that the structural solution for the steel frame was not going to be viable, almost immediately delaying progress on site. Despite this, the team worked well together and the contractor demonstrated remarkable and ongoing resilience and aptitude for problem solving and steadily continued to work through the challenges over the rest of the year.

Regarding trading, it proved to be very difficult to deliver anything outside of small funded projects. Even during the summer months when restrictions lifted, aside from an initial enthusiasm for pre-booked slots in the bar, it rapidly became apparent that this would not really be tenable, and so we closed the venue to the general public in August to focus on the strip out in preparation for the capital project). We did continue to generate revenues through room hire and streaming services in the venue during the autumn months, with these final elements removed from the venue in November.

The impact of Covid-19 overshadows this report. However, in many respects, given that the venue would have been closed anyway and we were always facing challenges around establishing enough touring work and the proposed 'pop-up' venue, the timing of the pandemic certainly could have been a lot worse. It has also allowed us to look at new opportunities which would not have been previously available and in the long run we believe will improve the final outcome of the capital project.

Despite all the challenges, we still managed to deliver an ongoing and busy learning programme. Principally online, this included workshops featuring artists from across the world and a regular online choir. In addition, when it was possible in early autumn, we once again engaged directly with schools running our Caribbean workshops which were once again in great demand.

Financial review

As confirmed by the auditor's report which accompanies this Financial Statement, systems remained tight and core costs very well controlled. However, given the structure of the CRF funding we should not anticipate any particular change of the overall balance sheet position, outside of that created by the investment in capital built items, which will be subject to change next year, and which by their nature are all restricted.

Given that this was no doubt one of the organisation's most challenging years in recent history; working to complete the long planned capital project through a global pandemic, maintaining the balance sheet position provides comfort to the trustees that we are at least well placed to emerge from the challenges and deliver the project as planned ready for a return to normality, hopefully just as we open the doors to our new, expanded, venue.

Charity

Inner City Music continued to invest in our core purpose and did so within a controlled financial and operational framework, whilst meeting the expectations of our audiences, stakeholders and funders alike. Surpluses generated through our trading activity were invested back into cultural music and music education programmes, providing unique access for the residents of Greater Manchester and beyond.

Trading

As stated, trading was minimal, but we took every opportunity to continue to be active despite the challenges.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2021

Overheads

Core expenditure was closely monitored and well controlled with some ongoing savings throughout the year and we took every opportunity for support as provided by all the various government schemes and initiatives, to reduce costs and liabilities.

Finally, The ongoing support and confidence of Arts Council England, both in terms of finance but also through the direct advice and guidance of individual officers, has been absolutely key to enable us to develop a resilient business model. We are also delighted that ACE is now joined by the National Lottery Heritage Fund in being a core funder, helping to support our programmes as well as the capital project and recognising the organisation for our contribution to the city's cultural heritage and the impact we have on communities across the city.

Reserves policy

The purpose of the unrestricted fund is to provide funds for the day-to-day running of the charity. Should a deficit be achieved on a specific project, a transfer of funds will be made from the unrestricted funds to cover the deficit.

The company undertakes to maintain reserves to the value of three months' core expenditure against the costs of maintaining the staff team and company assets, principally being the property known as 'Band on the Wall'

Plans for future periods

We continue to focus on the following core areas of business:

Band on the Wall

The Band on the Wall venue remains at the core of the organisation's activity with the majority of our output taking place within the spaces available. The expansion of the venue according to the current capital project to include an additional venue and learning spaces will be the focus in the coming year and probably until the end of YE 2021 - 22.

Creative Learning

This work is being significantly expanded with the development of our own internal programmes supported through NLHF.

Touring

Touring continues to be a strong area of business, attracting both funding support, external partners and commercial clients, as well as independently economically viable tours and promotions and we intend to continue to grow this once we get on the other side of the pandemic.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Working name of the Charity

The working name of the Charity is Band on the Wall. The legal name of Inner City Music Limited remains unchanged.

Recruitment and appointment of Trustees

New trustees are elected by the Council in accordance with the charity's governing document.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2021

Trustee induction and training

The policy of Inner City Music Limited is to provide each new trustee with a copy of the Charity Commission document 'The Responsible Trustee' and to provide background information about the work of the Charity at an induction session and through the updated Governance Code developed and agreed by the Board during 2012. Trustees are also encouraged to review prior documents, business and development plans, available in the ICM office and through the ICM online Board, Strategic and Staff Handbook Wiki; they are also encouraged to attend training events about charity governance.

Auditors

In accordance with the company's articles, a resolution proposing that Mitchell Charlesworth LLP be reappointed as auditor of the company will be put at a General Meeting.

Reference and administrative details

Organisation

The Directors of the charitable company (the Charity) are its Trustees for the purpose of Charity law and Directors for the purpose of Company law.

The Trustees who served the charity during the period were as follows:

Key management personnel: Trustees' and Directors

Chair:	Mr S Sorrell
Trustees:	Ms L Ashurst
	Mr J Curnuck
	Mr R Jones
	Mr D Kaye
	Mr N Reed
	Mr G Sharp (see below)
	Mr H Sharrock
	Ms K Gabay

Key management personnel: Principal staff

Chief Executive:	Mr G Sharp
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The Trustees are responsible for the affairs of the charity. In particular they decide the strategic direction of the Charity and ensure that it is solvent, well-run and fulfils the aims of the Charity. They delegate day-to-day operations and activities to the Chief Executive Officer. Where there is a project of significant scale or risk - as with the ongoing capital project - they take professional advice, including employing experienced consultants and other specialists to ensure that risks are minimised and the best possible result for the Charity is achieved. Their role as employers is also taken seriously and time is given over to ensure compliance within all areas of English employment law.

Staff seek to implement the organisation's business plan currently in place and report on progress on a regular basis to the Board. Regular financial reports are provided to the Board and, when required, consultants' reports are commissioned. The Board has approved a procedure for cheque and online payments and this is implemented by the Finance Manager, Facilities and Projects Manager and CEO.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)

Year ended 31 March 2021

Risk management

The major risks to which the organisation is exposed, as identified by the Trustees, have been reviewed and systems implemented to mitigate those risks. The management of cash flow during the period remained a priority and despite the challenges creditors were paid as and when due or payment plans put in place. Core costs were well controlled throughout the year and systems established to manage risk.

The business model always pre-supposed an expansion of activity outside of the building and the ICM staff now have systems well established to manage events across the UK. Although this has provided growth, it also comes with risk and this has been noted by both the Trustees.

Risk management

Operational and event risk management is tracked through a comprehensive operational database, which acts as the venue diary, and is used to project income against expenditure for all events. This sits alongside and provides financial information to the financial management systems managed by the Finance Manager, producing regular management accounts. This system has been enhanced and improved during the year, through additional investment.

Issues regarding the cost of depreciation to the charity and the impact on the balance sheet have been regularly discussed at Board level and regular reviews by the Finance Sub-Committee, involving the three qualified accountants on the board, the Finance Manager and CEO have all contributed to providing a pathway back to a financially stable position.

Trustees' responsibilities in relation to the financial statements

The Charity's Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Trustees' Report (continued)
Year ended 31 March 2021

Statement of disclosure to auditor

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the trustees



David Kaye
Trustee

Dated: 23 December 2021

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited

Year ended 31 March 2021

Opinion

We have audited the financial statements of Inner City Music Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated 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 group's and of the parent company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); 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 group 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 the provisions available for small entities, in the circumstances set out in note 27, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt about the charitable company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2021

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the group for the purposes 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 charitable company'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 regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2021

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the organisation's performance;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
 - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charitable company's Statement of Financial Activities, (ii) the charitable company's accounting policy for revenue recognition (iii) the overstatement of salary and other costs, and (iv) the understatement of creditors. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act, the Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the Board of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Trustees of Inner City Music Limited (continued)

Year ended 31 March 2021

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Use of our report

This report is made solely to the charitable company'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 charitable company's trustees those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

Alison Buckley (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth LLP
Chartered Accountants
Statutory Auditor

23 December 2021

.....

3rd Floor
44 Peter Street
Manchester
M2 5GP

Mitchell Charlesworth LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account)
Year ended 31 March 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income:							
Donations and legacies	5	526,363	919,108	1,445,471	181,270	169,632	350,902
Other trading income	6	190,405	-	190,405	1,223,178	-	1,223,178
<i>Income from charitable activities:</i>							
Provision of musical works and performances	7	59	-	59	298,674	-	298,674
Total income		716,827	919,108	1,635,935	1,703,122	169,632	1,872,754
Expenditure:							
<i>Expenditure on raising funds:</i>							
Commercial trading operation costs		192,027	-	192,027	747,599	-	747,599
<i>Expenditure on charitable activities:</i>							
Provision of musical works and performances	8	655,888	2,740	658,628	891,841	12,053	903,894
Total expenditure		847,915	2,740	850,655	1,639,440	12,053	1,651,493
Net incoming (outgoing) resources before transfers		(131,088)	916,368	785,280	63,682	157,579	221,261
Transfers		-	-	-	(52,462)	52,462	-
Net Movement of funds in year		(131,088)	916,368	785,280	11,220	210,041	221,261
<i>Reconciliation of funds:</i>							
Total funds brought forward		130,794	1,407,656	1,538,450	119,574	1,197,615	1,317,189
Total funds carried forward		(294)	2,324,024	2,323,730	130,794	1,407,656	1,538,450

The Statement of Financial Activities includes all gains and losses in the year and all income and expenditure derive from continuing activities

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Balance Sheet
As at 31 March 2021

	Notes	The Group 2021 £	The Charity 2021 £	The Group 2020 £	The Charity 2020 £
Fixed Assets					
Tangible assets	16	1,942,284	1,924,284	1,522,856	1,522,856
Investments	17	-	1	-	1
		1,942,284	1,924,285	1,522,856	1,522,857
Current assets					
Stock	19	-	-	9,945	-
Debtors	20	41,815	57,715	76,602	107,193
Cash at bank and in hand		521,014	500,219	188,579	143,152
		562,829	557,934	275,126	250,345
Creditors: amounts falling due within one year	21	(181,383)	(174,867)	(259,532)	(234,752)
Net current assets		381,446	383,067	15,594	15,593
Net assets		2,323,730	2,325,352	1,538,450	1,538,450
Funds					
Unrestricted funds:					
General	23	(15,294)	(15,294)	115,794	115,794
Designated	23	15,000	15,000	15,000	15,000
Restricted funds	24	2,324,024	2,325,646	1,407,656	1,407,656
		2,323,730	2,325,352	1,538,450	1,538,450

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

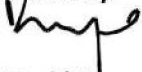
The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

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

The notes on pages 15 to 28 form part of these accounts.

These financial statements were approved by the members of the committee on 23/12/2021 and are signed on their

behalf by:



David Kaye
Trustee

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Cash Flows
Year ended 31 March 2021

		2021		2020	
	Note	£	£	£	£
Cash flows from operating activities					
Cash generated/(used) in operating activities	29		<u>774,743</u>		<u>296,743</u>
Net cash (outflow) from operating activities			774,743		296,743
Cash used in investing activities					
Purchase of property, plant and equipment		<u>(442,308)</u>		<u>(214,873)</u>	
Net cash used in investing activities			(442,308)		(214,873)
Net (decrease) in cash and cash equivalents			332,435		81,870
Cash and cash equivalents at beginning of year			<u>188,579</u>		<u>106,709</u>
Cash and cash equivalents at end of year			<u>521,014</u>		<u>188,579</u>

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2021

1. Company information

Inner City Music Limited is a private limited company domiciled and incorporated in England and Wales. The registered office is 25 Swan Street, Manchester, M4 5JZ.

2. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

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

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 consolidate the results of the charity and its wholly owned subsidiary Band on the Wall Trading Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Inner City Music Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

At the time of approving the financial statements and having due regard to the impact of Covid-19, the trustees have a reasonable expectation that the charitable company 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.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

Investment income is recognised on a receivable basis.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2021

2. Accounting Policies (*continued*)

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. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable activities include expenditure associated with the presentation and focus on musical works and performances and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories directly as well as indirectly, based on an appropriate basis.
- Other expenditure represents those items not falling into any other heading.

Funds structure

- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract/monies received. The purpose and use of restricted funds is set out in note 23 to the financial statements.
- General funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

Volunteers

The value of services provided by volunteers is not included in the financial statements.

Donated goods, services and facilities

On any occasion where goods and services are provided to the Charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity. Any goods given to the Charity and held for stock are only recognised in the year that the goods are distributed or used.

Tangible fixed assets

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment	-	5% to 20% reducing balance
Archives	-	10% of cost
Computer equipment	-	20% of cost

The freehold property is stated at market value which is based on regular professional valuations. If a material change is likely, intervening valuations are carried out.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2021

2. Accounting Policies (*continued*)

Fixed asset investments

Investments are stated at cost as the investment relates solely to the wholly owned share capital of its trading subsidiary Band on the Wall Trading Limited.

Pensions

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently fully managed and administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Legal status of the Charity

The company is limited by guarantee and all members have agreed to contribute an amount not exceeding £1 in the event of a winding up. The number of members at the year-end was 9 (2020: 10).

4. Judgements and key sources of estimation uncertainty

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.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2021

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<i>Donations</i>						
Private donations	22,570	10,000	32,570	1,270	-	1,270
<i>Grants and service level agreements</i>						
Arts Council of England	503,793	513,035	1,016,828	180,000	36,199	216,199
HLF Development Phase	-	-	-	-	5,089	5,089
Charitable Trusts	-	62,500	62,500	-	2,000	2,000
Charities Aid Foundation	-	-	-	-	50,000	50,000
Carlsberg	-	-	-	-	13,550	13,550
Heritage Lottery Fund	-	183,573	183,573	-	62,794	62,794
Lloyds Bank – Capital Funding Loan	-	150,000	150,000			
	503,793	909,108	1,412,901	180,000	169,632	349,632
	526,363	919,108	1,445,471	181,270	169,632	350,902

6. Other trading income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Commercial trading operations	190,405	-	190,405	1,223,178	-	1,223,178

7. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Ticket income	-	-	-	290,662	-	290,662
Other income	59	-	59	8,012	-	8,012
	59	-	59	298,674	-	298,674

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2021

8. Analysis of expenditure on charitable activities

	Total 2021 £	Total 2020 £
Wages and salaries (excluding Bar)	434,855	383,078
Staff related costs	100	4,179
Hire of plant and machinery	214	3,831
Advertising	48	6,741
Musicians' costs	24,604	256,858
Production costs	19,560	21,701
Venue costs	543	34,090
Repairs and renewals	7,944	4,489
Capital funding expenditure	2,740	-
Support costs (note 10)	156,179	182,765
Governance costs (note 10)	11,841	6,162
	658,628	903,894

Expenditure on charitable activities was £658,628 (2020: £903,894) of which £655,888 (2020: £891,841) was unrestricted and £2,740 (2020: £12,053) was restricted.

9. Summary analysis of expenditure and related income for charitable activities

	Total 2021 £	Total 2020 £
Costs	(658,628)	(903,894)
Direct grant support	503,793	193,550
Net expenditure on charitable activities	(154,835)	(710,344)

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2021

10. Analysis of support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, these, along with the remaining support costs, are directly allocated to the various funds attributed to the sole charitable activity undertaken in the year.

	Total 2021 £	Total 2020 £
<i>Central support costs:</i>		
Wages and salaries	1,616	22,373
Premises costs	72,051	70,621
Professional fees	21,493	21,083
Telephone	6,169	4,639
Postage and stationery	242	936
Advertising	3,080	11,139
Sundries	6,934	14,687
Travel	68	4,576
Bad debts	17,954	-
Depreciation	17,220	21,900
Loss on disposal of fixed assets	5,660	-
Bank charges	3,692	6,811
	156,179	178,765
<i>Governance costs:</i>		
Accountancy support	3,591	1,912
Audit fees	8,250	8,250
	168,020	188,927

11. Net income/(expenditure) for the year

	Total 2021 £	Total 2020 £
This is stated after charging:		
Depreciation	17,220	21,900
Auditors fees - for audit services	8,250	8,250

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2021

12. Analysis of staff costs, trustees' remuneration and the cost of key management personnel

	Total 2021 £	Total 2020 £
Wages and salaries	425,174	517,950
Social security costs	33,415	35,572
Pension costs	9,201	13,001
	467,790	566,523

The number of employees who received total employee benefits (excluding employer pension costs of more than £60,000) is as follows:

	2021 No.	2020 No.
£60,001 - £70,000	1	1
	1	1

No Trustees received re-imbursment for expenses during the year (2020: £Nil). The above amount represents the amounts paid to key management personnel of the charity.

13. Staff numbers

The average monthly number of full-time equivalent employees (including casual and part-time staff) employed by the charity during the year was:

	2021 No.	2020 No.
Management and administration	27	35

14. Pension costs

The charity operates a defined contribution pension scheme, contributions are charged in the statement of financial activities as they accrue. The charge for the year for the charity was £9,201 (2020: £13,001).

15. Corporation tax

On the basis of these financial statements no provision has been made for corporation tax.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2021

16. Tangible fixed assets

The Group and Charity	Freehold property £	Assets under construction £	Archiving £	Equipment, fixtures & fittings £	Total £
Cost					
At 1 April 2020	1,175,000	210,041	37,039	418,960	1,841,040
Additions	-	442,308	-	-	442,308
Disposals	-	-	-	(57,470)	(57,470)
At 31 March 2021	1,175,000	652,349	37,039	361,490	2,225,878
Depreciation					
At 1 April 2020	-	-	27,220	290,964	318,184
Charge for the year	-	-	1,580	15,640	17,220
Disposals	-	-	-	(51,810)	(51,810)
At 31 March 2021	-	-	28,800	254,794	283,594
Net book value					
At 31 March 2021	1,175,000	652,349	8,239	106,697	1,942,284
At 31 March 2020	1,175,000	210,041	9,819	127,996	1,522,856

The historical cost of the freehold property is £3,776,111 (2020: £3,776,111). The Charity's freehold property interest in 27 & 29 Swan Street was revalued by Beesleys Chartered Surveyors on 30 March 2015. The Trustees consider this value represents the fair current market value of the property.

The Arts Council of England holds a fixed and floating charge over the assets of the charitable company dated 12 February 2008, and a charge over the freehold property of the charitable company dated 23 January 2020 and 31 March 2021.

The National Heritage Memorial Fund holds charges dated 15 February 2008 and 27 January 2020 over the freehold property of the charitable company.

Lloyds Bank plc holds a fixed and floating charge over the assets of the charitable company dated 10 September 2020.

17. Investments

	The Group 2021 £	The Charity 2021 £	The Group 2020 £	The Charity 2020 £
Market value at 31 March 2021	-	1	-	1
Historical cost at 31 March 2021	-	1	-	1

The investment above represents the whole of the issued share capital of Band on the Wall Trading Limited, a company incorporated in England and Wales (Company No 09412259).

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2021

18. Financial instruments

	The Group 2021 £	The Charity 2021 £	The Group 2020 £	The Charity 2020 £
Carrying amount of financial assets				
Debt instruments at amortised cost	562,829	557,935	261,972	188,592
Equity instruments measured at cost less impairment	-	1	-	1
Carrying amount of financial liabilities				
Measured at amortised cost	181,382	174,867	426,387	401,392

19. Stock

	The Group 2021 £	The Charity 2021 £	The Group 2020 £	The Charity 2020 £
Goods for resale	-	-	9,945	-

20. Debtors

	The Group 2021 £	The Charity 2021 £	The Group 2020 £	The Charity 2020 £
Trade debtors	130	33	29,184	1,231
Amounts owed by group undertakings in which the charity has a participating interest	-	16,560	-	63,735
Other debtors	41,444	40,882	24,224	42,227
Prepayments and accrued income	241	240	23,194	-
	41,815	57,715	76,602	107,193

21. Creditors: Amounts falling due within one year

	The Group 2021 £	The Charity 2021 £	The Group 2020 £	The Charity 2020 £
Trade creditors	31,437	30,822	73,107	52,256
Other taxes and social security	9,087	9,087	20,520	20,520
Other creditors	8,020	8,020	11,280	7,351
Accruals and Deferred Income	132,839	126,938	154,625	154,625
	181,383	174,867	259,532	234,752

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2021

22. Deferred income

	2021	2020
	£	£
At 1 April 2020	61,665	98,869
Additions during the year	-	34,823
Amounts released to income	(34,700)	(72,027)
	<hr/>	<hr/>
At 31 March 2021	26,965	61,665
	<hr/> <hr/>	<hr/> <hr/>

At the balance sheet date, the charity was holding funds received in advance in respect of venue hire and ticket sales for events after the balance sheet date.

23. Unrestricted Funds

	1 April 2020 £	Income £	Expenditure £	Transfers £	31 March 2021 £
Unrestricted - general	115,794	716,827	(847,915)	-	(15,294)
Designated fund - Coccozza project	15,000	-	-	-	15,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	130,794	716,827	(847,915)	-	(294)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	1 April 2019 £	Income £	Expenditure £	Transfers £	31 March 2020 £
Unrestricted - general	104,574	1,703,122	(1,639,440)	(52,462)	115,794
Designated fund - Coccozza project	15,000	-	-	-	15,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	119,574	1,703,122	(1,639,440)	(52,462)	130,794
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Coccozza project fund is designated for the continuing work in respect of the Coccozza building redevelopment.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2021

24. Restricted Funds

The restricted funds of the charity comprise the following unexpended balances of donations and grants held on trust to be applied for specific purposes.

	1 April 2020 £	Income £	Expenditure £	Transfers £	31 March 2021 £
Tangible fixed assets fund	1,409,436	919,108	(2,740)	-	2,325,804
Heritage Lottery Fund - Bigger, Better, Stronger	(1,780)	-	-	-	(1,780)
	<u>1,407,656</u>	<u>919,108</u>	<u>(2,740)</u>	<u>-</u>	<u>2,324,024</u>
	1,198,344	169,632	(11,002)	52,462	1,409,436
Archiving fund	1,051	-	(1,051)	-	-
Heritage Lottery Fund - Bigger, Better, Stronger	(1,780)	-	-	-	(1,780)
	<u>1,197,615</u>	<u>169,632</u>	<u>(12,053)</u>	<u>52,462</u>	<u>1,407,656</u>

Tangible Fixed Assets Fund

This restricted fund represents monies received to assist with the purchase of the majority of the Charity's fixed assets and will reduce in line with the associated assets' depreciation policies.

HLF - Bigger, Better, Stronger

The Heritage Lottery Fund are providing funds in relation to the development phase of the Cocozza building restoration with the development of activity and business plans.

25. Transfers between funds

No transfers between funds have been made in the year.

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2021

26. Results of trading subsidiary

The results reported in the accounts of Band on the Wall Trading Limited, the charity's wholly owned subsidiary, for the period ending 31 March 2021 were as follows:

	2021 £	2020 £
Turnover and other income	190,405	1,223,178
Net cost of sales and administrative expenses	(192,027)	(747,419)
	(1,622)	475,759
Donation to Inner City Music Limited	-	(475,759)
Retained in subsidiary for period	(1,622)	-
Balance at 31 March 2021	(1,622)	-

27. Operating lease commitments

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

	The Group 2021 £	The Charity 2021 £	The Group 2020 £	The Charity 2020 £
Within one year	981	981	981	981
Between two and five years	-	-	981	981
	981	981	1,962	1,962

28. Capital commitments

	The Group 2021 £	The Charity 2021 £	The Group 2020 £	The Charity 2020 £
Within one year	1,687,634	1,687,634	2,129,442	2,129,942

29. Analysis of net assets between funds

The Group 2021	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	77,092	-	1,847,192	1,924,284
Cash at bank and in hand	-	15,000	506,014	521,014
Net current assets/(liabilities)	(92,386)	-	(29,182)	(121,568)
	(15,294)	15,000	2,324,024	2,323,730

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29. Analysis of net assets between funds (continued)

The Group 2020	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	125,532	-	1,397,383	1,522,915
Cash at bank and in hand	173,579	15,000	-	188,579
Net current assets	(183,317)	-	10,273	(173,044)
	<u>115,794</u>	<u>15,000</u>	<u>1,407,656</u>	<u>1,538,450</u>
The Charity 2021	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	77,092	-	1,847,192	1,942,284
Investments	1	-	-	1
Cash at bank and in hand	-	15,000	485,219	500,219
Net current assets	(92,387)	-	(6,765)	(99,152)
	<u>(15,294)</u>	<u>15,000</u>	<u>2,325,646</u>	<u>2,325,352</u>
The Charity 2020	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	125,532	-	1,397,383	1,522,915
Investments	1	-	-	1
Cash at bank and in hand	128,152	15,000	-	143,152
Net current assets	(137,891)	-	10,273	(127,618)
	<u>115,794</u>	<u>15,000</u>	<u>1,407,656</u>	<u>1,538,450</u>

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30. Cash used in operations	2021	2020
	£	£
Net movement in funds	785,280	51,269
<i>Adjustments for:</i>		
Depreciation	17,220	21,900
Loss on sale of tangible fixed assets	5,659	1,450
<i>Movements in working capital:</i>		
(Increase)/decrease in stock	9,945	(2,283)
(Increase)/decrease in debtors	34,787	13,750
Increase/(decrease) in creditors	(78,149)	210,297
Net cash generated/(used) in operations	774,743	296,743

A reconciliation of funds has not been presented as there are no loans, overdrafts, or other financing.