

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 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 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.

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Trustees' Report (continued)

Year ended 31 March 202

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

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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

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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

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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
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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

A handwritten signature in black ink, appearing to read 'H Sharrock', written over a light grey grid background.

Howard Sharrock

Trustee

Dated: 22/12/2022

INNER CITY MUSIC LIMITED

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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

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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
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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

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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	<u>(1,008,861)</u>	<u>(912,675)</u>	<u>(181,383)</u>	<u>(174,867)</u>
Net current assets		<u>112,508</u>	<u>123,474</u>	<u>381,446</u>	<u>383,067</u>
Net assets		<u>4,771,343</u>	<u>4,782,311</u>	<u>2,323,730</u>	<u>2,325,352</u>
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.

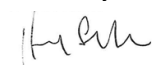
The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

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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

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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

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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
		156,179
<i>Governance costs:</i>		
Accountancy support	5,469	3,591
Audit fees	7,850	8,250
	13,319	168,020

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

INNER CITY MUSIC LIMITED

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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-imbursement 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		-	-	2,729,299
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).

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Notes to the Financial Statements
Year ended 31 March 2022

18. Financial instruments

	The Group 2022 £	The Charity 2022 £	The Group 2021 £	The Charity 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 2022 £	The Charity 2022 £	The Group 2021 £	The Charity 2021 £
Goods for resale	23,989	-	-	-

20. Debtors

	The Group 2022 £	The Charity 2022 £	The Group 2021 £	The Charity 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 2022 £	The Charity 2022 £	The Group 2021 £	The Charity 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

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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>
	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
	<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.

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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)
	2,324,024	2,524,786	-	-	4,848,810
	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)
	1,407,656	919,108	(2,740)	-	2,324,024

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

28. Capital commitments

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

29. Analysis of net assets between funds

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 assets/(liabilities)	(88,434)	-	(710,851)	(799,285)
	(88,434)	15,000	4,844,777	4,771,343

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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

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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.