

**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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<b>CONTENTS</b>	<b>Page</b>
Company information	1
Trustees' report	2 - 7
Independent Auditor's Report	8 - 11
Consolidated statement of financial activities	12
Consolidated balance sheet	13 - 14
Consolidated statement of cash flows	15
Notes to the financial statements	16 - 31

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# INNER CITY MUSIC LIMITED

## A COMPANY LIMITED BY GUARANTEE

### Company Information

31 March 2023

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<b>Registered charity name:</b>	Band on the Wall
<b>Company registration number:</b>	1893979
<b>Charity number:</b>	516351
<b>Principal address:</b>	25 Swan Street Manchester M4 5JZ
<b>Trustees:</b>	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
<b>Auditors:</b>	Mitchell Charlesworth (Audit) Limited Statutory Auditors 3 <sup>rd</sup> Floor 44 Peter Street Manchester M2 5GP
<b>Bankers:</b>	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

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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

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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 31<sup>st</sup> 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**

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#### **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**

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#### **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

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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**

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#### **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**

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#### **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**

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#### **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**

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#### **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**

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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...**

3<sup>rd</sup> 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 £
						(Restated)	(Restated)
<b>Income:</b>							
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
<b>Total income</b>		<b>2,271,100</b>	<b>396,308</b>	<b>2,667,408</b>	<b>1,206,621</b>	<b>2,174,786</b>	<b>3,381,407</b>
<b>Expenditure:</b>							
<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)
<b>Total expenditure</b>		<b>(2,064,247)</b>	<b>(343,040)</b>	<b>(2,407,287)</b>	<b>(1,283,794)</b>	<b>-</b>	<b>(1,283,794)</b>
<b>Net incoming/ (outgoing) resources before transfers</b>		<b>206,853</b>	<b>53,268</b>	<b>260,121</b>	<b>(77,173)</b>	<b>2,174,786</b>	<b>2,097,613</b>
Transfers		-	-	-	-	-	-
<b>Net movement of funds in year</b>		<b>206,853</b>	<b>53,268</b>	<b>260,121</b>	<b>(77,173)</b>	<b>2,174,786</b>	<b>2,097,613</b>
<i>Reconciliation of funds:</i>							
Total funds brought forward		(77,467)	4,498,810	4,421,343	(294)	2,324,024	2,323,730
<b>Total funds carried forward</b>		<b>129,386</b>	<b>4,552,078</b>	<b>4,681,464</b>	<b>(77,467)</b>	<b>4,498,810</b>	<b>4,421,343</b>

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)
<b>Fixed Assets</b>					
Tangible assets	15	4,939,999	4,939,999	4,658,835	4,658,835
Investments	16	-	1	-	1
		<u>4,939,999</u>	<u>4,940,000</u>	<u>4,658,835</u>	<u>4,658,836</u>
<b>Current assets</b>					
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
		<u>581,790</u>	<u>505,338</u>	<u>1,121,369</u>	<u>1,036,150</u>
<b>Creditors: amounts falling due within one year</b>	20	<u>(598,937)</u>	<u>(522,486)</u>	<u>(1,110,972)</u>	<u>(1,014,786)</u>
<b>Net current assets</b>		<u>(17,147)</u>	<u>(17,148)</u>	<u>10,397</u>	<u>121,364</u>
<b>Total assets less current liabilities</b>		<u>4,922,852</u>	<u>4,922,852</u>	<u>4,421,343</u>	<u>4,432,311</u>
<b>Creditors: amounts falling due after one year</b>	21	<u>(241,388)</u>	<u>(241,388)</u>	<u>(247,889)</u>	<u>(247,889)</u>
<b>Net assets</b>		<u>4,681,464</u>	<u>4,681,464</u>	<u>4,523,454</u>	<u>4,534,421</u>
<b>Funds</b>					
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
		<u>4,681,464</u>	<u>4,681,464</u>	<u>4,421,343</u>	<u>4,432,311</u>

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**

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

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

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#### 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

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## 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

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## 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
<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
	318,834	390,602	709,436	743,980	2,167,691	2,911,671
	318,834	396,308	715,142	743,980	2,174,786	2,918,766

#### 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

#### 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
	557,378	-	557,378	87,427	-	87,427

# 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
	<u>1,422,441</u>	<u>899,234</u>

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
	<b>174,257</b>	<b>106,738</b>
<i>Governance costs:</i>		
Accountancy support	1,301	5,469
Audit fees	7,850	7,850
	<b>9,151</b>	<b>13,319</b>

#### 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
	<u>695,156</u>	<u>454,754</u>

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

	2023 No.	2022 No.
£60,001 - £70,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

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 No.	2022 No.
Management and administration	<u>56</u>	<u>48</u>

#### 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 £
<b>Cost</b>				
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)
<b>At 31 March 2023</b>	<b>4,786,673</b>	<b>37,039</b>	<b>438,406</b>	<b>5,262,118</b>
<b>Depreciation</b>				
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)
<b>At 31 March 2023</b>	<b>-</b>	<b>31,960</b>	<b>290,159</b>	<b>322,119</b>
<b>Net book value</b>				
<b>At 31 March 2023</b>	<b>4,786,673</b>	<b>5,079</b>	<b>148,247</b>	<b>4,939,999</b>
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**

	<b>The Group 2023 £</b>	<b>The Charity 2023 £</b>	<b>The Group 2022 £ (Restated)</b>	<b>The Charity 2022 £ (Restated)</b>
<b>Carrying amount of financial assets</b>				
Debt instruments at amortised cost	<b>553,457</b>	<b>505,338</b>	1,097,380	1,036,150
Equity instruments measured at cost less impairment	-	<b>1</b>	-	1
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<b>598,937</b>	<b>522,489</b>	1,358,862	522,676

**18. Stock**

	<b>The Group 2023 £</b>	<b>The Charity 2023 £</b>	<b>The Group 2022 £</b>	<b>The Charity 2022 £</b>
Goods for resale	<b>28,333</b>	-	23,989	-

**19. Debtors**

	<b>The Group 2023 £</b>	<b>The Charity 2023 £</b>	<b>The Group 2022 £</b>	<b>The Charity 2022 £</b>
Trade debtors	<b>23,615</b>	<b>1,762</b>	72,123	30,959
Amounts owed by group undertakings in which the charity has a participating interest	-	<b>112,170</b>	-	127,082
Other debtors	<b>15,464</b>	<b>3,739</b>	89,591	86,445
Prepayments and accrued income	<b>28,123</b>	<b>19,373</b>	23,873	23,873
	<b>67,202</b>	<b>137,044</b>	185,587	268,359

**20. Creditors: Amounts falling due within one year**

	<b>The Group 2023 £</b>	<b>The Charity 2023 £</b>	<b>The Group 2022 (Restated) £</b>	<b>The Charity 2022 (Restated) £</b>
Trade creditors	<b>160,482</b>	<b>107,695</b>	713,102	623,510
Loan accounts	<b>106,501</b>	<b>106,501</b>	102,111	102,111
Other taxes and social security	<b>15,844</b>	<b>15,844</b>	10,818	10,818
Other creditors	<b>8,876</b>	<b>4,760</b>	35,690	29,096
Accruals and Deferred Income	<b>307,234</b>	<b>287,686</b>	249,251	249,251
	<b>598,937</b>	<b>522,486</b>	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

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

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

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

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	-
	4,498,810	396,308	(343,040)	-	4,552,078
	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)
	2,324,024	2,174,786	-	-	4,498,810

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

#### 28. Capital commitments

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

#### 29. Analysis of net assets between funds

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)
	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)**

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

# 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
<b>Net cash (used in)/generated in operations</b>	<b>(117,272)</b>	<b>3,120,078</b>

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

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 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
<b>Net cash used in operating activities</b>	<b>(117,272)</b>	<b>3,120,078</b>	<b>(91,231)</b>	<b>2,835,874</b>

#### 33. Net debt reconciliation - Group - Current 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	(247,889)	6,501	(241,388)
<b>Net debt</b>	<b>561,793</b>	<b>(423,427)</b>	<b>138,366</b>

# 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)
<b>Net debt</b>	<b>521,014</b>	<b>40,779</b>	<b>561,793</b>
34. Prior period adjustments and restatements - Group			<b>2022</b>
			<b>£</b>
<b>Reconciliation of changes in unrestricted funds</b>			
As previously reported			(77,467)
Loan accounts previously treated as grant income			-
<b>As adjusted</b>			<b>(77,467)</b>
<b>Reconciliation of changes in restricted funds</b>			
As previously reported			4,848,810
Loan accounts previously treated as grant income			(350,000)
<b>As adjusted</b>			<b>4,498,810</b>
<b>Restatements of changes in income for the previous period</b>			
As previously reported			3,731,407
Loan accounts previously treated as grant income			(350,000)
<b>As restated</b>			<b>3,381,407</b>

# INNER CITY MUSIC LIMITED

## A COMPANY LIMITED BY GUARANTEE

### Notes to the Financial Statements

#### Year ended 31 March 2023

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

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.