

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

Company Registration Number 1893979
Charity Number 516351

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Financial Statements
Year ended 31 March 2025

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INNER CITY MUSIC LIMITED
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Company Information
31 March 2025

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

INNER CITY MUSIC LIMITED

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Trustees' Report

Year ended 31 March 2025

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

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Purposes and Activities

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

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

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

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

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

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

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

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

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Trustees' Report (continued)

Year ended 31 March 2025

Which is to say we will continue to:

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

Achievements and Performance

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

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

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

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

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

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

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

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Trustees' Report (continued)

Year ended 31 March 2025

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

Financial review

General

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

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

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

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

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

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

Charity

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

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

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

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Trustees' Report (continued)

Year ended 31 March 2025

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

Trading

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

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

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

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

Overall

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

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

Overheads

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

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

Reserves policy

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

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

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Trustees' Report (continued)

Year ended 31 March 2025

Plans for future periods

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

Band on the Wall

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

Creative Learning

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

Touring

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

Streaming and Online

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

Venue Services

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

Structure, governance and management

Governing document

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

Working name of the Charity

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

Recruitment and appointment of Trustees

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

Trustee induction and training

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

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Trustees' Report (continued)

Year ended 31 March 2025

Auditors

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

Reference and administrative details

Organisation

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

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

Key management personnel: Trustees' and Directors

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

Key management personnel: Principal staff

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

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

Risk management

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

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

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

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Trustees' Report (continued)

Year ended 31 March 2025

Risk management (continued)

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

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

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

Trustees' responsibilities in relation to the financial statements

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

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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

By order of the trustees



Julian Curnuck
Trustee

Dated: 16/12/2025

INNER CITY MUSIC LIMITED

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

Year ended 31 March 2025

Opinion

We have audited the financial statements of Inner City Music Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Year ended 31 March 2025

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

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

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

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

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

Year ended 31 March 2025

Identifying and assessing potential risks related to irregularities

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

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

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

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

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

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

Audit response to risks identified

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

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

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

Year ended 31 March 2025

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

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

Use of our report

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

Mitchell Charlesworth

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

16.12.2025
.....

3rd Floor
44 Peter Street
Manchester
M2 5GP

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

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account)

Year ended 31 March 2025

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

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

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Consolidated Balance Sheet

As at 31 March 2025

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

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Consolidated Balance Sheet

As at 31 March 2025

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

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

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

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

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

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



Julian Curnuck
Trustee

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Consolidated Statement of Cash Flows
Year ended 31 March 2025

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

Company Registration No. 1893979 (England and Wales)

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

1. Company information

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

2. Accounting Policies

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

Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

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

Going concern

At the time of approving the financial statements the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

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

Investment income is recognised on a receivable basis.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

2. Accounting Policies (*continued*)

Expenditure

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

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

Funds structure

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

Volunteers

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

Donated goods, services and facilities

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

Tangible fixed assets

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

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

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

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

2. Accounting Policies (*continued*)

Fixed asset investments

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

Pensions

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

3. Legal status of the Charity

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

4. Judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

5. Donations and legacies

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

6. Other trading income

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

7. Income from charitable activities

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

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

8. Analysis of expenditure on charitable activities

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

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

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

9. Analysis of support costs

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

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

10. Net income/(expenditure) for the year

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

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

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

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

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

	2025 No.	2024 No.
£60,001 - £70,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

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

12. Staff numbers

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

	2025 No.	2024 No.
Management and administration	<u>75</u>	<u>57</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 £18,973 (2024: £16,427).

14. Corporation tax

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

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

15. Tangible fixed assets

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

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

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

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

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

16. Investments

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

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

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

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

INNER CITY MUSIC LIMITED
A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
Year ended 31 March 2025

21. Creditors: Amounts falling due after one year

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

22. Deferred income

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

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

23. Unrestricted Funds

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

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

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

24. Restricted Funds

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

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

Tangible Fixed Assets Fund

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

25. Transfers between funds

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

26. Results of trading subsidiary

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

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

INNER CITY MUSIC LIMITED

A COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31 March 2025

27. Analysis of net assets between funds

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

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Year ended 31 March 2025

28. Cash used in operations

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

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

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

30. Net debt reconciliation - Group - Current year

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

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30. Net debt reconciliation - Group - Prior year	31 March 2023 £	Cash flows £	31 March 2024 £
Cash	486,255	(180,415)	305,840
Loans falling due within one year	(106,501)	68,550	(37,951)
Loans falling due after one year	(241,388)	(109,127)	(350,515)
Net debt	138,366	(220,992)	(82,626)
31. Related Party Transactions			
Grace Sharp, the daughter of the Chief Executive Officer, was employed by the company during the year. Her total remuneration was £12,631.			
32. Prior Period Adjustment			
Changes to the balance sheet – Group	As previously reported	Adjustment	As restated 31 March 2024
Current assets			
Debtors	82,014	(5,632)	76,382
Creditors due within one year			
Taxation	(13,801)	(33,438)	(47,239)
Funds			
Unrestricted funds	37,344	(39,070)	(1,726)
Changes to the statement of financial activities - Group	As previously reported	Adjustment	As restated 31 March 2024
Year ended 31 March 2024			
Commercial trading operation costs	(1,461,647)	(39,070)	(1,500,717)
Net outgoing resources before transfers	(71,337)	(39,070)	(110,407)
Changes to the balance sheet - Charity	As previously reported	Adjustment	As restated 31 March 2024
Current assets			
Debtors	135,018	(39,070)	95,948
Funds			
Unrestricted funds	43,050	(39,070)	3,980

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Notes to the Financial Statements

Year ended 31 March 2025

32. Prior year adjustment (continued)

Notes to reconciliation - Group

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

33. Prior Prior Period Adjustment

Changes to the balance sheet – Group

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

Changes to the statement of financial activities - Group

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

Changes to the balance sheet - Charity

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

Notes to reconciliation - Group

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