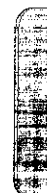


Charity Registration Number 1053937
Company Registration Number 3169600

SYMPHONY HALL (BIRMINGHAM) LIMITED
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2006

Registered Office:
Symphony Hall (Birmingham) Limited
Broad Street
Birmingham
B1 2EA

Tel. No. 0121 200 2000



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Registered Office:
Symphony Hall (Birmingham) Limited
Broad Street
Birmingham
B1 2EA

Tel No. 0121 200 2000

REPORT OF THE DIRECTORS (Incorporating the Trustees' Report)

For the year ended 31 March 2006

Introduction

The Trustees present their annual report and the audited financial statements for the year ended 31 March 2006 and confirm that they comply with current statutory requirements, the requirements of the charity's governing document and the recommendations of the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities".

Reference and Administration Information

Symphony Hall (Birmingham) Limited is registered with the Charity Commission for England and Wales under number 1053937. The charity is registered with Companies House for England and Wales under number 3169600. The Trustees and senior executives of the charity are listed on page 21. Principal places of business and professional advisers of the charity are given on page 21.

On 8 June 2000 the National Exhibition Centre Limited granted the charity a sub lease covering Symphony Hall itself, associated foyers and bar areas. The lease is effective from 1 April 1996 and runs for 30 years, with the charity having an option to extend the lease for a further ten years.

Structure, Governance and Management

Organisational Structure

The company is Limited by Guarantee, with the National Exhibition Centre Limited as its sole member. It is governed by a memorandum and articles of association that were last amended on 29 June 2006.

The charity has been registered as an educational charity to educate the public by encouraging appreciation of the arts, in particular music, and to educate young people in performing and composing music.

The charity continues to hold the whole of the issued share capital of Symphony Hall (Enterprises) Limited ("SHE"). SHE is registered with Companies House for England and Wales under number 3146280. SHE is governed by its Memorandum and Articles of Association adopted on 5 January 1996.

Governance

The governing body of Symphony Hall (Birmingham) Limited is the Board of Trustees. The Board consists of 12 Trustees who appoint a Chairman. The Board are legally responsible for the governance and management of the charity.

The Trustees are nominated by the Board and are made up of individuals chosen to represent the charity's stakeholders. They have a wide-ranging experience in business, music, education and media and advise on all aspects of the charity's operation, giving strategic guidance on future development.

The charity is currently undertaking a review of its governance following enactment of agreed changes to the charity's Memorandum & Articles of Association during 2006/07, and aims to develop a more structured and formal approach for the appointment of future Trustees. Changes to the charity's Memorandum and Articles have been agreed by the Trustees with the intention to manage Birmingham Town Hall from Spring 2007. Further details are contained within the 'Plans for future periods' section.

The Trustees recognise that a more formal approach should also be taken in respect of the induction and training of existing and new Trustees and will introduce enhanced procedures to replace the present informal induction process.

Management

The Trustees are responsible for setting strategies and policies and for ensuring that these are implemented and have delegated the day-to-day operation to the executive management. In addition to receiving advice and support from the executive management, the Trustees have established one Sub Group of the Board and an Advisory Group:

General Purposes Sub Group

The Finance & General Purposes Sub Group meets at least four times a year and its primary responsibility is to advise the Trustees on their duty to ensure all assets of the charity are properly safeguarded, managed and used and that funds are spent effectively and efficiently in the course of its activities.

The Sub Group also advises the Trustees on the financial strategy of the charity and the performance against the strategy, undertakes a review of the effectiveness of internal financial controls and risk management systems, reviews the effectiveness of the charity's Internal Audit function and the clarity and completeness of disclosures in the financial statements.

Symphony Hall Education Advisory Group

Symphony Hall is committed to delivering the highest standards in its education programme. The Symphony Hall Education Advisory Group, advising the Board of Symphony Hall, provides a mechanism for ongoing evaluation, review and enhancement of the education programme. The group advises the Education Manager on an annual draft education plan, monitors progress towards agreed objectives during the course of the year, evaluates progress at the year-end (informing the following year's plan) and regularly evaluates specific projects (or nominates others to do so where appropriate).

The members of the Sub Group and the Advisory Group are noted on page 21.

Risk Management

The management, who advise the Trustees, actively review the major risks which the charity faces on a regular basis, with a continuous review of the controls over key financial systems carried out through an internal audit programme. The management have also examined other operational and business risks and confirm that they have established systems to mitigate significant risks.

Objectives and Activities

Objectives

The charity's general aims continue to be those that are in fulfilment of its charitable objects as stated within its memorandum and articles. Broadly summarised, these are:

- (a) to promote and present concert performances of classical, popular and contemporary music, complementary to those of the City of Birmingham Symphony Orchestra (CBSO) and of world-class calibre; and
- (b) to educate the public by promoting, fostering and encouraging the knowledge, understanding and appreciation of the arts, particularly music, providing an education programme for this purpose.

The section below provides details of the activities undertaken to achieve these objectives.

It is the charity's continuing aim to provide a facility of international standing for rehearsal and performance by the CBSO and other local music groups (both professional and amateur) from the City of Birmingham and the region. More broadly, in striving for excellence in all aspects of Symphony Hall's work, the charity aims to consolidate the City of Birmingham's international reputation for musical excellence.

Activities during the year, achievements and performance

Overview

352,910 people attended 279 paid concerts and education events at Symphony Hall this year, with an average attendance of 1,265 across ticketed concerts. Overall, there were 342 events during the year, both paid and unpaid, and the Hall remains extremely busy.

Breaking down the programme, Symphony Hall promoted 35 concerts in its prestigious International Concert Series and hosted 84 concerts and 31 freestanding rehearsals (i.e. not preceding a concert) by the CBSO, its resident orchestra. The Hall promoted and co-promoted some 94 other concerts, across a range of light classical, jazz and big-band, pop, country and world music, as well as a small number of stand-up comedy shows and other speech events.

There were 12 organ concerts (evening and lunchtime) and 12 Sunday morning coffee concerts, with 18 recording and other sessions.

There were 14 major educational events (large-scale events, as opposed to workshops and projects) as well as a host of smaller activities. Interwoven into the main concert programme, throughout the year Symphony Hall also offers a crowded programme of events for schools and young people, including master classes, pre-concert talks for A-level and GCSE music students, school-based workshops and assemblies, teacher INSET days, work experience placements, hall tours, and public tours.

Part of the Hall's remit is to provide a showcase facility for local organisations, and the Hall was hired by local users for 42 events, including a range of musical events, graduation ceremonies, the Faraday lectures, and charity fundraising concerts.

Fundraising

The charity has undertaken general fundraising activities during the year to contact key trusts and beneficiaries to raise funds and to provide continual support of education. Refer to notes 16 and 17 for full details of amounts raised which are consistent with the objectives of the reserves policy.

The concert programme

Symphony Hall's International Concert Series remains the flagship of the Hall's own-promoted classical concerts, bringing outstanding international orchestras and soloists to Birmingham to complement the work of the CBSO, our resident orchestra. Thanks to the support of Birmingham City Council, the International Concert Series makes a major contribution to cultural life outside London, and maintains loyal audiences.

This year we continued to welcome a range of the world's outstanding orchestras: the Chicago Symphony Orchestra with Barenboim as conductor and soloist, the Bavarian Radio Symphony Orchestra, the Copenhagen Philharmonic Orchestra, the Russian State Symphony Orchestra, Opera North (a concert version of Bartok's *Bluebeard's Castle*), the Royal Concertgebouw Orchestra under Mariss Jansons, the London Philharmonic and Wynton Marsalis in the latter's *All Rise*, the *Philharmonia Orchestra* under Charles Dutoit, the *St Petersburg Philharmonic Orchestra*, the *English Concert*, the *Moscow Philharmonic Orchestra*, the *Oslo Philharmonic Orchestra*, the *Bavarian Philharmonic Orchestra* KlangVerwaltung, and the *London Philharmonic Orchestra* with Kurt Masur and Anne-Sophie Mutter.

This year contained two high-profile first performances: the *Sixteen* premiered Sir John Tavener's *Tribute to Cavafy*, a *Symphony Hall commission*; the *London Sinfonietta* gave the UK premiere of Steve Reich's *Variations for Vibes*, Piano and Strings, choreographed by Akram Khan.

Alongside these, a range of soloists featured in concertos and recital: amongst others, Pinchas Zukerman, Aldo Ciccolini, Andreas Scholl (with the baroque ensemble, *Accademia Bizantina*), Andras Schiff (year two of his cycle of the complete Beethoven piano sonatas), Jean Guillou, Janine Jansen and Jansen Ensemble, and Emanuel Ax.

Alongside its classical programme, Symphony Hall attracted a range of other audiences for its substantial programme of non-classical concerts. This included an eclectic range of artists across a range of genres: Abdullah Ibrahim, Tony Bennett, Rufus Wainwright, Nigel Kennedy, Elvis Costello and the Imposters, Amjad Ali Khan and sons with Talvin Singh, Alison Krauss & Union Station, Michael Bolton, John Prine, Tony Christie, Ghulam Ali, Paul Carrack, Nick Cave, Jethro Tull, Joan Baez, Van Morrison, Neil Sedaka, Taraf de Haïdouks, Al Green, Joan Armatrading, Jazz Jamaica with Motown Reloaded, Steve Harley and Cockney Rebel, Jimmy Carr, Bryn Terfel and Ravi Shankar and his daughter Anoushka.

The Education / Community Programme

2005/6 has been another busy year for the Education/Community Department, with some 15,000 young people accessing the charity's services directly. Activities have continued to develop the three major strands of music technology, organ and singing. The emphasis on disability and music technology has continued with the *Pipe Up!* and *Talking Book* projects. An awareness-raising event marking the end of the associated two-year programme funded by Youth Music was held in November. Work then continued with various organ projects and a British Airways sponsored multi-media based project enabling children from four Coventry-based primary schools to make an interactive display titled '*Destination Installation*'. The final piece of work depicted sights and sounds of various cities that were triggered by walking across the children's version of a map of Europe.

Singing projects and commissions were celebrated in the Festival of Voices and Songs of the Skies, and the International Concert Season's celebration of the 250th anniversary of Mozart's birth spawned the '*Mixing Mozart*'

project for secondary school students. Also linked to the International Season was the Gigs4U initiative, with workshops and talks for sixth-formers preceding concerts by Ensemble Bash and the London Sinfonietta.

Further organ related work consisted of a music and literacy project with schools in Birmingham and Nottingham (supported by PricewaterhouseCoopers) and a song-writing project celebrating the fifth birthday of the Symphony Organ. The ensemble 'Blast Off' performed their organ-based primary school concert 'Stayin' Alive! in July, which proved so popular that subsequent teacher planning days and workshops are now forming the basis of a resource pack promoting cookery and music workshops in schools.

The year has also seen a strategic review of the charity's activities, looking at the sustainability and long-term funding aspects of the education programme with the consultancy Tribal Dundas. As a result, the emphasis in future projects from 2006 on will be weighted towards training and resource production, focusing on longer-term goals and aspirations. Robust child protection procedures and training underpin the department's work, and the first foray into Town Hall based education work was made by setting up a time-lapse photography system in the as yet unfinished auditorium.

In September 2005 Symphony Hall presented a second Reggae Rockz event to launch Artsfest. Developing the highly successful formula from the previous year, the event comprised a full-length concert on Centenary Square that drew an estimated audience of 9,000 people. Headline act was the group Steel Pulse, making a triumphant return to Birmingham. The concert opened with a performance by the Birmingham Young Reggae All-Stars - the product of a Reggae Summer School held at the Drum.

Symphony Hall continues to present photographic exhibitions and events, both for existing concert audiences and also as an audience development initiative. The period under review has seen two community-based exhibitions. Movers and Shakers comprised 100 photographic portraits of people who have committed themselves to the renaissance of Birmingham. Four Stages, For People mounted a series of evocative photographs on the hoarding around Birmingham Town Hall, documenting the entertainment and social activities four local venues: the Town Hall, Attwood Green Community Centre, Symphony Hall and Ladywood Social Club.

Perhaps the most popular foyer strand is the Rush Hour Blues series of free Friday night jazz concerts, presented in association with Birmingham Jazz. This year we have supplemented that with a complementary monthly Saturday lunchtime series called Sax in the City, featuring veteran saxophonist Andy Hamilton and his group The Bluenotes.

In gratitude: our core supporters

The Trustees of Symphony Hall gratefully acknowledge the continuing support of Birmingham City Council. As well as providing core funding for the Hall (via the NEC Group), the City's subvention of the International Series enables the Hall to present the greatest international artists and orchestras to the people of the West Midlands. It has established Birmingham as the pre-eminent UK musical city outside London, a fact that continues to be acknowledged in national press reviews of the Hall's concerts. Subvention from Birmingham City Council enables £5 tickets to be available for every concert in the series.

We rely on the continuing support of a growing number of trusts and foundations and individual supporters, whose generosity sustains the work of the Education/Community Department. We are grateful to the following, without whom this year's education programme could not have taken place:

Anonymous Donor
Arts Council England, West Midlands
The Edward and Dorothy Cadbury Trust
The Eveson Charitable Trust
The George Cadbury Trust
The Grantham Yorke Trust
The Grimmitt Trust
The Keith and Joan Mindelsohn Charitable Trust
Limoges Charitable Trust
The Owen Family Trust
The Patrick Trust
The Percy Whitlock Trust
Poetry Central
The Southampton Row Trust
Urban Fusion
The W E Dunn Charitable Trust
Western Union Transfer
Youth Music

Also vital to our work this year has been the support of our corporate members. In particular, we especially thank our Founder Patrons, several of whom have been supporters of Symphony Hall since it opened. The commitment of all our corporate supporters is invaluable.

Founder Patrons:

harman/kardon
IMI plc
Linde Group
Lloyds TSB Group plc
PricewaterhouseCoopers
HotHouse

Coda Club Members:

National Grid Transco
Deloitte & Touche
Interserve Project Services
DA Stuart Oil Co Ltd
Challinors Lyon Clark
Arnold and Bainbridge

Sound Partnership:

Classic fm

CSR Partners:

Arts and Business New Partners
British Airways
PricewaterhouseCoopers

Business Partners:

Hyatt Regency Birmingham
Hudson's Coffee House
Radio XL

Financial Review

Responsibilities for the accounts and financial statements

The Charities Act 1993 requires the Trustees to prepare financial statements for each financial year that provide a true and fair view of the state of affairs of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed; 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 which disclose with reasonable accuracy the financial position of the charity at any time and which ensure that the financial statements comply with applicable law and regulations. The Trustees are also responsible for safeguarding the assets of the charity and for their proper allocation under charity law, hence taking reasonable steps for the prevention and detection of fraud.

Basis of Accounting

The annual financial statements of Symphony Hall (Birmingham) Limited, which are attached to this report, have been prepared under the revised SORP.

The opportunity has also been taken to review all of Symphony Hall's key accounting policies to ensure that they continue to be in accordance with the requirements of the new SORP and best accounting practice.

Whilst the above steps have resulted in enhanced disclosures in the financial statements, it has not been necessary to make any significant amendments to key accounting policies.

Review of the year

The results of the charity for the year are set out in the consolidated Statement of Financial Activities on page 10.

The net expenditure in the year for the group is £41,000, (2005: net expenditure £64,000 after restatements to the accounts due to the amendments to the SORP).

Overall there were 342 events in 2005/06, which compares to 322 in 2005. The Hall continues to be fully utilised.

The deficit reimbursement grant from Birmingham City Council amounted to £1.555m (2005: £1.384m). This specific grant effectively enables the charity to operate as a going concern.

Expenditure in the year totalled £7.823m (2005: £7.362m). 92% of the expenditure relates to the delivery of the charity's objectives. 8% of the total expenditure incurred in the year is incurred through activities related to generating funds. These include income-generating activities such as catering, sponsorship, and merchandising.

Balance Sheet

The balance sheet remains in good shape, ensuring that the charity has the assets required to achieve its objectives. The balance sheet Funds mainly reflect the Organ asset at the residual value to be depreciated over the asset's remaining useful life. Other Funds held relate to the delivery of future Education and Community projects.

Subsidiary undertakings

Symphony Hall (Birmingham) Limited's subsidiary company continues to contribute to the charity's mission and its financial results are shown in note 20 to the consolidated accounts.

Symphony Hall (Enterprises) Limited is a subsidiary trading company of Symphony Hall (Birmingham) Limited and gift-aided profit of £406,000 in 2006 (2005: £377,000). The increase is due to increase in catering income due to change in levels and mix of activities.

Investment policy and performance

Symphony Hall (Birmingham) Limited investments are held as a means of earning revenue on designated and restricted funds until they are required.

The investments are invested in a short term, low risk financial markets treasury investment. The yield in the year was 4.5% (2005: 4.75%) and the investments had an average maturity of 46 days as at 31 March 2006.

Reserves policy

The Trustees have formulated the reserves policy for Symphony Hall (Birmingham) Limited which is in line with Charity Commission for England and Wales recommendations.

Of the unrestricted funds of £77,000 (2005 restated £86,000) held by Symphony Hall (Birmingham) Limited, £60,000 (2005 restated £84,000) has been designated primarily for education of visitors and the remainder is to be held as a general reserve to allow for any unforeseen falls in income or rises in expenditure. The Trustees believe that this level of reserves are appropriate and adequate for the charity, and equate to 3 months of discretionary charitable expenditure.

The reserves are continuously reviewed by the Finance and General Purposes Sub Group.

Refer to notes 16 and 17 for full details.

Insurance of Directors

The charity maintains insurance for the Trustees in respect of their duties as Directors of the charity.

Employees

Symphony Hall (Birmingham) Limited does not employ any employees in its own name. The management team are seconded from the National Exhibition Centre Limited and the associated costs recharged to the charity. All temporary employees are employed by the National Exhibition Centre Limited and the costs recharged to the charity.

Temporary employees are engaged on a daily basis from time to time as the fluctuations in the charity's business dictate.

Plans for future periods

Birmingham Town Hall

On 20 March 2006 Birmingham City Council confirmed its intention that Symphony Hall (Birmingham) Ltd should take on management of Birmingham Town Hall. Trustees have been preparing for this initiative and have already agreed revisions to the charity's Memorandum and Articles of Association so that it can take on management of the Town Hall. Work is underway to implement governance structures and business plans that had been devised for this strategic development.

This is the most exciting development in the Hall's 15-year history, and it is anticipated that it will allow considerable development of the charity's work in all areas. The vision for the Town Hall as a community venue is complementary with Symphony Hall, and it is the Trustees' intention that both venues will work together to:

- identify and serve the needs of the multi-cultural population of the city
- provide a platform for local performers, amateur and professional, alongside a forward-looking programme of national and international performances and events
- provide a programme mix that engages past audiences and develops future ones
- create performance, participation and learning opportunities for young people
- engage all visitors with the Town Hall's heritage and its role in Birmingham's contemporary civic and cultural life
- make both venues welcoming and accessible to all, delivering a variety of cultural, community, civic and corporate activities to the highest professional standards with outstanding customer service.

In the next financial year it is anticipated that Symphony Hall (Birmingham) Limited will develop a new staff structure and recruit additional staff to manage the two venues side by side. Considerable work will be undertaken on further business planning, programming, facilities management, marketing, branding and box office operations. It is anticipated that the Town Hall will be handed over to the charity in Spring 2007 with reopening scheduled for Autumn 2007.

Audit Information

So far as the Directors are aware there is no relevant audit information of which the company's auditors are unaware and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information.

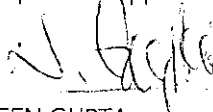
Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the charity will be proposed at the annual general meeting.

In gratitude

The Trustees would like to convey their sincere thanks to the staff and many volunteers who have so generously given their support to the charity. With their support we look forward to continuing to enhance the deliveries of our charitable services.

This report was approved by the Trustees on 23 November 2006 and signed on their behalf by:



NAVEEN GUPTA
Company Secretary

Symphony Hall (Birmingham) Limited
Broad Street
Birmingham
B1 2EA

23 November 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYMPHONY HALL (BIRMINGHAM) LIMITED

We have audited the financial statements of Symphony Hall (Birmingham) Limited for the year ended 31 March 2006 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies therein.

Respective responsibilities of directors and auditors

The trustees are also directors of Symphony Hall (Birmingham) Limited for the purpose of Company Law. As described in the Statement of Trustees' Responsibilities the trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the Trustees' report is consistent with the financial statements. We also report to you, if in our opinion the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

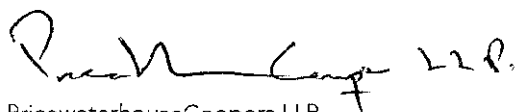
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs at 31 March 2006 and of its net outgoing resources, including its income and expenditure, and cash flows for the year then ended;
- and the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

23 November 2006

Accounting Policies

Basis of preparation of accounts

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued by the Charity Commissioners in October 2000 and revised March 2005 ("SORP"), applicable accounting standards and the Companies Act 1985. Where applicable, comparative results have been restated to comply with SORP 2005. The policy for deferred income has been revised and this has increased the funds brought forward at the start of the year by £61,000, with a compensating reduction in deferred income held within creditors amounts falling due within one year.

The consolidated financial statements, which show the results of the charity and its trading subsidiary Symphony Hall (Enterprises) Limited, have been prepared under the historical cost convention. No separate income and expenditure account is presented for the charity as permitted by Section 230 of the Companies Act 1985.

Basis of consolidation

The Group's financial statements include the financial statements of the charity and its trading subsidiary, Symphony Hall (Enterprises) Limited and have been prepared on a line by line basis.

Incoming Resources

Income is generally recognised on a receivable basis for generating funds but income generated from charitable activities is recognised at the point revenue and the costs associated with the delivery of the services can be reliably measured. It is measured at the fair value of the consideration received or receivable.

The specific bases used are as follows:

- Voluntary income includes donations on a receivable basis
- Investment income is accounted for on a receivable basis
- Charitable activity, trading and merchandising income is accounted for when earned.
- Grants are recognised when the entitlement to the grant is confirmed. Grants that provide core funding or are of a general nature provided by government are recorded as income from generated funds.

Resources expended

Expenditure is recognised when it is incurred and is reported gross of related income on the following bases:

- Cost of generating fund comprises the costs associated with attracting voluntary income and the other costs of other income generation e.g. costs associated with provision of catering services.
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to its activities.
- Governance costs include those incurred in the governance of its assets and are associated with constitutional and statutory requirements.
- Support costs include the central functions and they have been allocated against the concert programme in order to ensure transparency and consistent basis of reporting of the charity.

Tangible Fixed Assets and Depreciation

It is the charity's policy to capitalise the cost of major capital projects and to depreciate them over their estimated useful lives. As a matter of policy expenditure is capitalised on individual projects where that expenditure is more than £10,000 in total and it directly results in either:

- Generation of new economic benefit;
- Enhances the economic benefit generated from existing assets; or
- Substantially increases the economic life of existing assets.

The cost of the Organ (Note 12), which comprise the acquisition and construction costs, is being depreciated and charged against the restricted fund over the term of the sub-lease (25 years) from the date of installation (20 October 2001). There have been no new capital projects during the year under review.

Investments

Cash and cash equivalents are stated at cost. Listed investments are stated at market value.

Accounting Policies (Continued)

Stocks

Stocks are stated at the lower of cost and net realisable value.

Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on the straight – line basis over the lease term.

Funds

Symphony Hall (Birmingham) Limited has designated funds which are unrestricted funds set aside for specific purposes by the trustees and which would otherwise form part of the charity's other charitable funds.

Other charitable funds are unrestricted funds that are available to carry out any of the charitable objectives of the charity.

Restricted funds are funds that have restrictions imposed by donors and can only be applied for the particular purposes specified by donors.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2006		2006 Restricted Fund	2006 Unrestricted Fund	2006 Total Fund	2005 Total Fund Restated
	Notes	£000	£000	£000	£000

INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	1	168	50	218	114
Activities for generating funds	2	-	996	996	955
Deficit reimbursement	5	-	1,555	1,555	1,384
Investment income	3	(1)	60	59	60
Total incoming resources from generated funds		167	2,660	2,827	2,513
Incoming Resources from charitable activities:					
Rental & admissions	4a	-	3,653	3,653	3,750
Grants receivable	5	-	580	580	543
Other charitable activities	4b	-	721	721	492
Total incoming resources from charitable activities		-	4,955	4,955	4,784
Total incoming resources		167	7,615	7,782	7,297
Costs of generating funds	6	-	(606)	(606)	(593)
Governance costs	6	-	(22)	(22)	(12)
Net incoming resources available for charitable application		167	6,987	7,154	6,692
Resources expended on charitable activities					
Direct costs	6	-	(3,156)	(3,156)	(3,151)
Other charitable activities	6	(199)	(3,839)	(4,038)	(3,605)
Total resources expended on charitable activities		(199)	(6,995)	(7,195)	(6,757)
Net expenditure for year before and after transfers		(32)	(9)	(41)	(64)
Fund balances brought forward at 1 April		1,275	86	1,361	1,425
Fund Balances Carried Forward At 31 March		1,243	77	1,320	1,361

All the above results are derived from continuing activities. All gains and losses in the year are included in the above. Accordingly a statement of total realised gains and losses has not been prepared.

The notes on pages 14 to 20 form part of these financial statements

BALANCE SHEET
at 31 March 2006

	Notes	Group		Charity	
		2006	2005	2006	2005
		Restated £000	Restated £000	Restated £000	Restated £000
Fixed Assets					
Tangible fixed assets	12	1,055	1,109	1,055	1,109
Current Assets					
Stock	13	15	-	15	-
Debtors	14	31	377	31	377
Cash investments		470	62	470	62
Cash at bank and in hand		11	250	11	250
		<u>527</u>	<u>689</u>	<u>527</u>	<u>689</u>
Creditors - Amounts Falling Due Within One Year	15	(262)	(437)	(262)	(437)
Net Current Assets		<u>265</u>	<u>252</u>	<u>265</u>	<u>252</u>
Net Assets		<u>1,320</u>	<u>1,361</u>	<u>1,320</u>	<u>1,361</u>
Funds					
Designated funds	16	60	84	60	84
Other charitable funds	16	17	2	17	2
Total Unrestricted		<u>77</u>	<u>86</u>	<u>77</u>	<u>86</u>
Restricted funds	17	1,243	1,275	1,243	1,275
Total Funds		<u>1,320</u>	<u>1,361</u>	<u>1,320</u>	<u>1,361</u>

Approved by the Board of Trustees on
and signed on its behalf by

23 September 2006

Trustee

Trustee

The notes on pages 14 to 20 form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
For The Year Ended 31 March 2006

	Notes	2006 £000	2005 £000 restated
Net expenditure for year		(41)	(64)
Adjustments for:			
Depreciation		54	54
Investment income		(59)	(60)
Changes in working capital			
Increase in stock		(15)	-
Decrease in debtors		346	45
Decrease in creditors		(175)	(6)
Cash generated/(outflow) from operations		110	(31)
Interest received		59	60
Net cash from operating activities		169	29
Cash and cash equivalents at 1 April		312	283
Cash and cash equivalents at 31 March		481	312

	2006 £000	2005 £000
Cash and cash equivalents		
Cash at bank and in hand	11	250
Cash investments	470	62
	481	312

The notes on pages 14 to 20 form part of these financial statements

Notes to the Consolidated Accounts

1. Voluntary income

Voluntary income relates to donations and grants received from individuals and trusts to further the charity's objectives.

2. Activities for generating funds

	2006 £000	2005 £000
Catering income	814	778
Sponsorship income	152	155
Rents received	13	13
Merchandise income	16	8
	996	955

Catering income and costs comprised the following:

	2006 £000	2005 £000
Catering income	814	778
Labour	(331)	(306)
Costs of sales	(275)	(287)
Profit	209	184

3. Investment Income

	2006 £000	2005 £000
Bank Interest	59	60

4. Income from charitable activities

(a) Rental and admissions analysis

	£000	£000
Rental		
City of Birmingham Symphony Orchestra	288	243
Local music users	158	152
Rental Promotion	163	174
Other	33	37
	642	606
Admissions		
International concert season	663	683
Promoted and Co promoted Events	2,288	2,368
Sunday afternoon, pre-concert and platform performances and other	60	93
	3,011	3,144
	3,653	3,750

(b) **Other charitable activities**

This relates to services provided in connection with the rental of Symphony Hall and include box office ticketing, performing rights fees and programme sales, which are integral to the activities and the delivery of the charity's objectives.

5. **Grants Receivable**

		2006 £000	2005 £000
Operating deficit funding	(a)	1,555	1,384
Subvention funding	(b)	580	543
		2,135	1,927

(a) these are revenue grants received from Birmingham City Council to fund the net expenditure on the unrestricted fund, primarily in respect of the concert programme. The National Exhibition Centre Limited facilitates the transfer of this funding in a trustee capacity on behalf of Birmingham City Council.

(b) these comprise subvention from Birmingham City Council, which contributes towards the funding of the International Series of concerts.

6. **Resources expended**

	Staff £000	Dep'n £000	Direct £000	Other £000	2006 £000	2005 £000
Cost of generating funds	331	-	275	-	606	593
Governance costs	16	-	-	6	22	12
Charitable activities - concert programmes	1,608	54	3,156	2,172	6,991	6,667
- education programme	-	-	-	204	204	90
Total resources expended	1,955	54	3,432	2,382	7,823	7,362

Direct costs are those associated with providing the activity, for example, cost of catering supplies and artist fees.

Other costs include various support and management services provided by National Exhibition Centre Limited which includes venue service charges of £1,012,000 and support costs (see note 7 for further information.)

The above costs include:

	2006 £000	2005 £000
Auditors remuneration	6	6
Operating leases - plant and machinery	17	13
Depreciation	54	54
Venue service charge	1,012	926

There are no non audit fee costs because the auditors are not engaged in any other capacity.

7. Support Costs

The National Exhibition Centre Limited provides support services which in the year costs £110,616 (2005: £113,000) which comprise finance, HR, legal services and information technology. These costs principally support the concert programme and the trustees have therefore not allocated any proportion of costs to the education programme.

8. Employee information

All employees are employed by The National Exhibition Centre Limited and the costs are recharged to the charity, including the services of the Symphony Hall Director and his management team which have been seconded from The National Exhibition Centre Limited. The average number of employees seconded was 41 (2005:26).

Staff costs also include temporary employees engaged on a daily basis from time to time as the fluctuations in the charity's business dictate. All temporary employees, as with the management team, are employed by the National Exhibition Centre Limited and the costs recharged to the charity comprise:

Staff Costs Analysis

	2006 £000	2005 £000
Wages and salaries	1,215	912
Social Security costs	84	63
Other pension costs	108	88
Labour recharges	461	382
Other employment costs	87	56
	1,955	1,501

Emoluments of employees

The number of employees whose emoluments (salaries and benefits in kind) fell within the following bands:

	2006 Number	2005 Number
£60,001 - £70,000	1	1
£155,001 - £165,000	1	1

Staff Numbers

	2006 Number	2005 Number
Charitable activities	40	25
Cost of generating funds	1	1
	41	26

9. Trustees' remuneration

The Chairman of the Trustees received remuneration during the year of £16,184 (2005: £5,917).

The other Trustees of the charity do not receive any remuneration, but are reimbursed any expenses for their services. In the year £2,056 was reimbursed for travel expenses incurred by five trustees (2005: £1,618 by three trustees).

Remuneration and expenses are paid in accordance with the governing Articles of Association.

10. Related Party Transactions

The sole member of the charity is The National Exhibition Centre Limited. During the year the charity undertook the following transactions with the related party:

	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
	Sale of goods and services		Purchase of goods and services	
National Exhibition Centre Limited	-	-	1,280	1,667

11. Taxation and Charitable Status

Symphony Hall (Birmingham) Limited is registered as a charity and as such claims exemption from direct taxation on its charitable activities.

12. Tangible Fixed Assets – Group and Charity

	2006 £000
Symphony Hall Organ Project	
Cost:	
At 1 April 2005 and 31 March 2006	1,294
Accumulated depreciation:	
At 1 April 2005	(185)
Provided during year	(54)
At 31 March 2006	(239)
Net book value of assets as at 31 March 2006	1,055
Net book value of assets as at 31 March 2005	1,109

13. Stocks

Stocks comprise goods for resale.

14. Debtors

	Group		Charity	
	2006 £000	2005 £000	2006 £000	2005 £000
Amounts Falling Due Within One Year				
Trading subsidiary Gift Aid	-	-	31	377
Amounts owed by NEC Group	31	377	-	-
	31	377	31	377

15. **Creditors - Amounts Falling Due Within One Year**

	Group		Charity	
	2006	2005 restated	2006	2005 restated
	£000	£000	£000	£000
Amounts owed to NEC Group	262	437	262	437
	262	437	262	437

16. **Unrestricted Funds**

		Balance 1 April 2005 £000	Incoming resources £000	Amounts utilised £000	Balance 31 March 2006 £000
Designated Funds					
Trustees discretionary fund	(1)	6	1	-	7
General education	(2)	31	10	(26)	15
Organ education	(3)	47	22	(32)	37
Exhibition fund	(4)	-	1	-	1
		84	34	(58)	60
Other charitable funds					
Friends donations	(5)	2	1	(1)	2
Friends memberships		-	15	-	15
		2	16	(1)	17
General reserve		-	7,565	(7,565)	-
Total Unrestricted		86	7,615	(7,624)	77

These funds represent:

- (1) funds held for future projects in support of the Hall's charitable activities, to be allocated in the discretion of the Trustees
- (2) funds held to be used in support of educational work by the charity
- (3) funds received for use on education work relating to the organ
- (4) funds held to be used for exhibitions and foyer installations.
- (5) donations received from Friends of Symphony Hall in addition to their membership fees.

17. **Restricted Funds**

		Balance 1 April 2005 £000	Incoming resources £000	Amounts utilised £000	Balance 31 March 2006 £000
Organ construction and maintenance	(1)	1,211	-	(54)	1,157
Music technology disability/ equipment	(2)	5	24	(17)	12
Specific education	(3)	42	88	(111)	19
Pipe up	(4)	17	-	(17)	-
Staying alive	(5)	-	30	-	30
Singing manager	(6)	-	25	-	25
		1,275	167	(199)	1,243

These funds represent:

- (1) represents the net book value of the Symphony Hall Organ (Note 12) and donations received from the Organ appeal which will be used to maintain and refurbish the instrument.
- (2) funds received for use in support of the Patrick Musictech Studio, for the purpose of educating children and young people with special needs in music technology.
- (3) funds held for a range of small scale education projects, for the purpose of educating children and young people in line with Symphony Hall's charitable objectives.
- (4) funds spent in 2005/06 on the 'Pipe Up' Education project Teaching children about the music and science of the pipe organ.
- (5) funds held for the 'Staying Alive' project, which teaches children about healthy eating through music.
- (6) funds held to support the post of Singing Projects Manager and sustain the vocal education work of the charity with children and young people.

18. **Analysis of total funds**

	Unrestricted Funds £000	Restricted Funds £000	2006 £000	2005 £000
Analysis of type of asset and liability				
Tangible fixed assets	-	1,055	1,055	1,109
Current assets	339	188	527	689
Creditors falling due within the year	(262)	-	(262)	(437)
	77	1,243	1,320	1,361

19. **Operating Lease Annual Commitments**

	Group		Charity	
	2006 £000	2005 £000	2006 £000	2005 £000
Other leases which expire:				
over five years	20	20	20	20

20. **Subsidiary Company**

Symphony Hall (Birmingham) Limited owns all the issued share capital, consisting of two ordinary shares of £1 which are nil paid, of Symphony Hall (Enterprises) Limited, which performs trading activities associated with events held in the Hall which are outside the charitable objectives, including the provision of catering services. The subsidiary donates its taxable profits to the charity each year by gift aid.

A summary of the results for its subsidiary and the aggregate amount of their assets, liabilities and funds as at 31 March is shown below:

	2006 £000	2005 £000
Income	966	933
Expenditure	(560)	(556)
Operating profit	406	377
Gift Aid to SHB Limited	(406)	(377)
Retained Profit	NIL	NIL
Assets	31	377
Liabilities	(31)	(377)
Funds	NIL	NIL

21. **The Member**

The National Exhibition Centre Limited, a company registered in England and Wales, is the sole member.