

Charity Registration Number 1053937
Company Registration Number 3169600

PERFORMANCES BIRMINGHAM LIMITED
[Formerly Symphony Hall (Birmingham) Limited]

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2007

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

Tel. No. 0121 200 2000

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PERFORMANCES BIRMINGHAM LIMITED

Report of the Directors (Incorporating the Trustees' Report) **For the year ended 31 March 2007**

Introduction

The Trustees present their annual report and the audited financial statements for the year ended 31 March 2007. In preparing this report the Directors have complied with current statutory requirements, the Accounting and Reporting by Charities Statement of Recommended Practice (Revised 2005) ('SORP'), applicable accounting standards and the requirements of the charity's governing document.

Reference and administration information

On 13 March 2007, Symphony Hall (Birmingham) Limited was renamed Performances Birmingham Limited ('PBL'). PBL leases and operates Town Hall and Symphony Hall in Birmingham.

PBL 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 23. Principal places of business and professional advisers of the charity are given on page 24.

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 10 years.

On 9 February 2007 the charity entered into a Tenancy at Will for Town Hall, Birmingham with Birmingham City Council. A long-term lease is being negotiated with Birmingham City Council for Town Hall.

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 Performances Birmingham (Enterprises) Limited ('PBEL') (Formerly named Symphony Hall (Enterprises) Limited, named changed on 13 March 2007). PBEL is registered with Companies House for England and Wales under number 3146280. PBEL is governed by its memorandum and articles of association adopted on 5 January 1996.

Governance

The governing body of PBL 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 and articles of association during 2007/08, and aims to develop a more structured and formal approach for the appointment of future Trustees.

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.

PERFORMANCES BIRMINGHAM LIMITED

Report of the Directors (Incorporating the Trustees' Report) - continued

Management

The Trustees are responsible for setting strategies and policies and for ensuring that these are implemented. To assist with this work the Trustees have one Sub-Group of the Board and an Advisory Group. Details of their membership is disclosed on page 23.

Authority to conduct the day-to-day operations of the charity is delegated by the Trustees to the Director, Town Hall & Symphony Hall. The Director, Town Hall & Symphony Hall is accountable to the Board of Trustees and is responsible for the efficient running of both Town Hall and Symphony Hall with the help of his staff. The Director, Town Hall & Symphony Hall is responsible for the implementation of policies and strategies on behalf of the Trustees.

Finance & 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.

Education Advisory Group

Performances Birmingham is committed to delivering the highest standards in its education programme. The Education Advisory Group, 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).

Risk management

The management, who advise the Trustees, actively review the major risks that 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.

Liquidity risk

The charity's policy is to ensure continuity of available funding by active management of working capital.

Credit Risk

The charity has no significant concentrations of credit risk. The charity has implemented policies that require appropriate credit checks on potential customers before sales commence.

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.

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Report of the Directors (Incorporating the Trustees' Report) – continued

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

Activities during the year, Achievements and Performance

Overview

2006/07 has been an exciting yet challenging year for the charity. The amount of change the charity has successfully implemented over the year is a reflection of both the strength and support the charity holds from its wide constituency of stakeholders. During the year the charity rolled out an exciting new brand identity, changed the company name Symphony Hall (Birmingham) Limited to Performances Birmingham Limited ('PBL') and revised its staffing organisation structure. This was all necessitated by the future vision and operating plans that the charity is working towards to effectively manage and programme both Town Hall and Symphony Hall on a combined and complementary basis in furtherance of PBL's charitable aims and objectives. This is the most exciting time to date in the charity's 11 year history and it is anticipated that it will allow considerable development of the charity's work in all areas.

As highlighted in the 'Plans for future periods' section (page 8), the charity is considering a change in membership status. The charity has received notification from the National Exhibition Centre Limited ('NEC') that it wishes to stand down as the sole member of the charity. As part of this likely membership change the charity has initiated a series of administrative, operational and management changes to ensure that it is able to legally operate on a stand-alone basis following any proposed membership transfer. These administrative, operational and management changes included establishing stand alone accounting records and databases, preparing Service Level Agreements with NEC Ltd for both services supplied and formalising future operational arrangements. The Charity Commission's consent to the proposed arrangements has also been sought. 2006/07 was the first year by which the charity received its main source of funding direct from Birmingham City Council, rather than via NEC.

In terms of activity, within Symphony Hall 356,000 people attended 305 paid concerts and education events this year, with an average paid attendance of 1,140. Overall, taking into account both paid and unpaid events and the busy programme of educational tours and workshops (which do not show in these figures), Symphony Hall remains one of the busiest halls in the country.

Breaking down the programme, Symphony Hall promoted 42 concerts in its prestigious International Concert Series and hosted 75 concerts and 19 free-standing rehearsals (i.e. not preceding a concert) by the CBSO, its resident orchestra. The Hall promoted and co-promoted some 81 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 15 organ concerts (evening and lunchtime) and 10 Sunday morning coffee concerts, with 8 recording and other sessions.

There were 8 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 32 events, including a range of musical events, graduation ceremonies, the Faraday lectures, and charity fundraising concerts.

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.

The financial year opened in mid-series. Spring and early summer 2006 saw outstanding concerts by Cecilia Bartoli and the Freiburg Baroque Orchestra, alongside recitals by Andreas Schiff, Tasmin Little, and Håkan Hardenberger. Cementing Symphony Hall's close links with Valery Gergiev, the outstanding event of the period was a Mariinsky Masterworks mini-residency with the forces of his Kirov Opera. The Kirov Orchestra opened the week with a memorable Shostakovich Centenary Concert. Three operas in concert followed, all with strong links to St Petersburg: Tchaikovsky's Eugene Onegin, Verdi's Forza del Destino, and a rare performance of Rimsky-Korsakov's massive opera-ballet Mlada. Contrasting with all this operatic

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Report of the Directors (Incorporating the Trustees' Report) – continued

splendour, the Kirov Opera Chorus took centre stage for an evening to give a magical performance of Rachmaninov's Vespers, the supreme masterpiece of the Russian orthodox choral tradition

June 2006 saw a celebration of Sir Charles Mackerras's 80th Birthday with the Philharmonia Orchestra, and the anniversary theme continued into the 2006/07 International Season with concerts celebrating the 150th anniversary of Elgar's birth (conducted by Sir Andrew Davis) and the 50th anniversary of the death of Sibelius (featuring Finnish artists led by the conductor Osmo Vanska, perhaps the composer's greatest living exponent) In addition there was an evening of all six of Bach's Brandenburg Concertos directed by Trevor Pinnock to celebrate latter's 60th birthday, and a concert by Thomas Trotter and the CBSO to mark the fifth birthday of the Symphony Organ An innovative organ concert entitled Medieval to Messiaen commissioned visuals and an electro-acoustic score to accompany Ligeti's breathtaking Volumina and Messiaen's La Nativite de notre Seigneur New visuals were also commissioned for a concert by the New York ensemble Bang on a Can All Stars, to accompany their performance of Brian Eno's ambient classic Music for Airports Outside the International Concert Season, of course, Symphony Hall continues to present the UK's most substantial series of weekly lunchtime organ concerts, based at the Birmingham Cathedral (while the Town Hall is refurbished) three times a month and once a month at Symphony Hall

Other International Season highlights included the Royal Philharmonic Orchestra performing Mahler's epic Symphony of a Thousand, a return visit from the Orchestra of La Scala Milan, this time with the distinguished conductor Riccardo Chailly, and Birmingham's own Mendelssohn work, Elijah, performed by the Kings Consort A special evening brought choral and orchestral forces directly from Bach's own church, St Thomas's in Leipzig, to perform his Mass in B minor The pianist Andras Schiff concluded his survey (over three seasons) of all Beethoven's 32 piano sonatas, completing a marvellous piano series that included Evgeny Kissin, Lang Lang and Freddy Kempf Other popular artists were Kiri Te Kanawa and Frederica von Stade (in duet), guitarist John Williams, flautist James Galway

Complementary to the classical programme, Symphony Hall continues to present a rich and varied programme of high-profile and high-quality rock, pop, folk, world, jazz and comedy artists Alongside the Hall's programme of local hires and free events, (such as the popular Rush Hour Blues concerts with Birmingham Jazz and veteran jazzier Andy Hamilton's monthly Sax in the City sessions), this programme mix ensures that the Hall attracts a diverse range of audiences of all sorts and is visited by an ever-wider proportion of the public In a programme of over 100 non-classical concerts, particular highlights this year have included Morrissey, Chris Rea (with a performance filmed for DVD release), jazz legend Oscar Peterson, Senegalese musical maverick Cheik Lô with master kora player Toumani Diabate, Gladys Knight, country-rock singer Lucinda Williams, Paul Rodgers, Marti Pellow, Deacon Blue, Canadian singer-songwriter Ray LaMontagne, Hans Raj Hans in a concert of sufi singing, two sold-out nights with comedian Jimmy Carr, Craig David, Art Garfunkel, John Martyn, Brian Ferry and Buena Vista Social Club

The Education/Community Programme

During 2006/07, planning for education and community work took on a whole new dimension with the knowledge that in 2007/08 our work would be embracing Town Hall New programme strands harnessing Town Hall's resources are starting to take shape, existing strands have been developed with a new focus in mind, and new partnerships and collaborations are bringing new ideas to the table

In the mean time, project work at Symphony Hall has continued apace Symphony Organ's fifth birthday was celebrated with a project involving 30 participants from City Road Primary School and St Clare's Primary School, Birmingham After a behind-the-scenes look at the Hall and an opportunity to play the Symphony Organ, the children spent their first workshop designing birthday cards for the organ Music and design workshops provided the opportunity for them to learn about the instrument Each school was tasked with designing an organ sound-sculpture, and using multimedia software they children created an ambient composition, heard playing from within the sculptures when they were displayed at the Organ's Fifth Birthday concert

In November, a primary-school concert called Stayin' Alive! used the organ as a centrepiece for a pantomime that promoted the message of healthy eating through music The sold-out concert was preceded by a set of music and cooking pilot workshops developed with primary school teachers from Small Heath, and tested on 90 pupils

Symphony Hall's School Singing Programme was given a face-lift as the department's new Singing Project Manager started work on the development of a city-wide singing plan, in partnership with Birmingham Music Service and the CBSO Choral Department First steps were also taken in the provision of teacher training activities in Choral Conducting and Investigating Repertoire (as part of the Vocally Brum Festival, with Black Voices) Plans have been developed to commission a new choral work that will have an ever-lasting life, in that it will be performed year-on-year with a new movement song added and an old one taken away The aim of the piece will to celebrate Birmingham's rich culture and heritage, and it will be dedicated to the memory of George Jonas, a former trustee of Performances Birmingham and the CBSO

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Report of the Directors (Incorporating the Trustees' Report) – continued

Work in the multi-media field continued to expand as the Patrick Musictech Studio was updated and refurbished. New project partners came on board and an expanding outreach programme began with workshops at St Thomas's Centre for the Child (the Father's Make Music project), Kingsmere Remand Unit, several Birmingham-based secondary schools, and the Virtual College. Participants ranged from family members to self-excluded young people.

Last year's Destination Installation project was reworked into a new project that addresses the needs of newly-arrived and indigenous families based in the area of Edgbaston (ready for delivery next year) and work with young people centred around the delivery of BTEC related modules from the music technology syllabus. Students from Perry Beeches Secondary School also worked on a multimedia arts project where they explored the broad mediums of film and sound, producing three multimedia compositions that accompanied an ensemble performance at the end of the project.

Looking to the future, the combined resources of Patrick Musictech Studio and the stages of both Symphony Hall and Town Hall will enable the charity to undertake a new strand of activity that welcomes young people into both venues. A series of workshops, open rehearsals, performance and debating opportunities, consultation exercises, hands-on work experience, training, course modules, summer schools and instrumental tuition/careers advice are planned for the future, in collaboration with organisations such as the University of the First Age and Birmingham Association of Youth Centres.

There have been fewer foyer exhibitions than usual this year, due to work on developing the Town Hall programme. But in November and December, a photographic exhibition called Positive Lives documented the impact of the global HIV and AIDs epidemic, offering extraordinary insights into the lives of those affected. The project was a collaboration between Symphony Hall, Concern Worldwide and the Terrence Higgins Trust.

In gratitude our core supporters

The Trustees of Symphony Hall gratefully acknowledge the continuing generous support of Birmingham City Council. As well as providing core funding for the Hall, 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, along with concessions for senior citizens, disabled patrons, wheelchair users, students, benefit recipients and groups.

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.

The 29th May 1961 Charitable Trust
The Allan & Nesta Ferguson Charitable Trust
Baron Davenport's Charity
The Richard Cadbury Charitable Trust
The Ernest Cook Trust
The G J W Turner Trust
Grimmitt Trust
The Hawthorne Charitable Trust
Hugh Kenrick Charitable Trust
Percy Whitlock Trust
Peter & Jane How Trust
The Saintbury Trust
The W A Cadbury Charitable Trust

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

IMI plc
Linde Group
Lloyds TSB Group plc
PricewaterhouseCoopers
HotHouse

Coda Club Members

National Grid Transco
Deloitte & Touche

PERFORMANCES BIRMINGHAM LIMITED

Report of the Directors (Incorporating the Trustees' Report) – continued

Interserve Project Services
DA Stuart Oil Co Ltd
Challinors Lyon Clark
Arnold and Bainbridge
Grant Thornton

Sound Partnership
Classic fM

Business Partners
Radio XL
BBC Music Magazine

Financial Review

Responsibilities for the accounts and financial statements

The Charities Act 1993 and the rules of Performances Birmingham Limited require 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.

In so far as the Trustees individually, are aware there is no relevant audit information of which the Company's auditors are unaware and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Basis of accounting

The annual financial statements of PBL, which are attached to this report, have been prepared under the revised SORP.

The opportunity has also been taken to review all PBL's key accounting policies to ensure that they continue to be in accordance with the requirements of the new SORP and of 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 12.

The net income in the year for the group is £142,000 (2005/06 net expenditure £41,000).

Overall there were 305 events in 2006/07, which compares to 342 in 2005/06.

The core grant from Birmingham City Council amounted to £2,522m (2005/06 £1,555m) and enables the charity to operate as a going concern.

Expenditure in the year totalled £7,965m (2005/06 £7,823m). 99% of the expenditure relates to the delivery of the charity's objectives. 1% 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.

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Report of the Directors (Incorporating the Trustees' Report) – continued

Balance sheet

The balance sheet Funds mainly reflect the Organ asset as the residual value is to be depreciated over the assets remaining useful life. Other Funds held relate to the delivery of future Education and Community projects.

Subsidiary undertakings

The charity's wholly owned subsidiary, Performances Birmingham (Enterprises) Limited ('PBEL'), continues to contribute to the charity's mission and its financial results are shown in note 20 to the consolidated accounts.

PBEL continues to trade principally in the provision of catering services, and in the year has contributed £281,000 (2005/06 £406,000) to the charity's results.

Investment policy and performance

The funds available for the charity to invest comprise advance box office receipts. In order to retain flexibility and availability of these funds, the charity utilises short-term, low risk financial markets treasury investments. No other investment vehicle is used.

The charity's investments are also held as a means of earning revenue on designated and restricted funds until they are required.

The yield in the year was 5.0% (2005/06 4.5%) and the investments had an average maturity of 49 days as at 31 March 2007.

Reserves policy

The Unrestricted Fund relates to carrying out the charity's general objectives and the policy is to aim to have zero reserves against the General Reserve. Ultimately the Trustees believe the level of General Reserve should be maintained at a breakeven level and in any given year at no greater a deficit that can ultimately be covered by an agreed future funding profile indicated by the charity's core funder, Birmingham City Council.

The charity's other Unrestricted funds categorised as being 'Designated' are in surplus to the value of £308,000 and relate to the education of visitors. The Trustees believe that the level of designated reserves held at year end March 2007 are appropriate and adequate for the charity, and equate to three months of discretionary charitable expenditure.

In relation to the charity's Restricted Fund, these contain donations from trusts, foundations and individuals to be used for specific charitable objectives. The majority of the Restricted Funds comprise donations received from the Organ Appeal, and is used to finance the annual depreciation cost. The excess of funding £100,000 (2005/06 £102,000) will be used to maintain and refurbish the instrument. The Trustees believe the level of Restricted Funds should always be maintained at a surplus level.

Insurances of Directors

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

Employees

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

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Report of the Directors (Incorporating the Trustees' Report) – continued

Plans for future periods

Town Hall, Birmingham

In October 2007 the charity plans to re-open Town Hall, Birmingham. The vision for 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

Membership status

The charity has received notification from NEC, being its current sole member, that it wishes to stand down as the sole member of the charity. At the time of writing Trustees and senior management of the charity were considering the impact of this request which also involved discussions with its main funder Birmingham City Council.

Performances Birmingham Limited has already initiated a series of changes affecting the administrative, operational and management processes of the charity to ensure that the proposed membership change does not affect future operating arrangements from both a legal or charitable perspective.

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 20 September 2007 and signed on their behalf by



Naveen Gupta
Company Secretary
20 September 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERFORMANCES BIRMINGHAM LIMITED

We have audited the group and company financial statements ("the financial statements") of Performances Birmingham Limited for the year ended 31 March 2007 which comprise consolidated statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Performances Birmingham Limited for the purposes of company law) for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable 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 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 in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information specified by law regarding trustees' remuneration and other 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 group and 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 group's and the parent charitable company's affairs at 31 March 2007 and of the group's incoming resources and application of resources, including the group's 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

26 September 2007

PERFORMANCES BIRMINGHAM LIMITED

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

The consolidated financial statements, which show the results of the charity and its trading subsidiary Performances Birmingham (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, Performances Birmingham (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 funds 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 capital projects during the year under review

Investments

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

PERFORMANCES BIRMINGHAM LIMITED

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

Performances 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

PERFORMANCES BIRMINGHAM LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2007	Notes	2007	2007	2007	2006
		Restricted Fund	Unrestricted Fund	Total Fund	Total Fund
		£000	£000	£000	£000
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	1	20	109	129	218
Activities for generating funds	2	-	303	303	996
Deficit reimbursement	5	-	-	-	1,555
Investment income	3	3	109	112	59
Total incoming resources from generated funds		23	521	544	2,828
Incoming Resources from charitable activities					
Rental & admissions	4a	-	3,933	3,933	3,653
Grants receivable	5	-	3,102	3,102	669
Other charitable activities	4b	-	528	528	632
Total incoming resources from charitable activities		-	7,563	7,563	4,954
Total incoming resources		23	8,084	8,107	7,782
Costs of generating funds	6	-	(72)	(72)	(606)
Governance costs	6	-	(30)	(30)	(22)
Net incoming resources available for charitable application		23	7,982	8,005	7,154
Resources expended on charitable activities					
Direct costs	6	-	(3,657)	(3,657)	(3,157)
Other charitable activities	6	(140)	(4,066)	(4,206)	(4,038)
Total resources expended on charitable activities		(140)	(7,723)	(7,863)	(7,195)
Net income/(expenditure) for year before transfers		(117)	259	142	(41)
Transfers between funds		(7)	7	-	-
Net movement in funds		(124)	266	142	(41)
Fund balances brought forward at 1 April		1,243	77	1,320	1,361
Fund balances carried forward at 31 March		1,119	343	1,462	1,320

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.

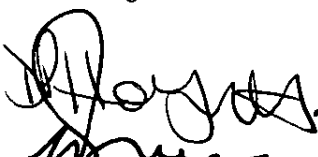

The notes on pages 15 to 22 form part of these financial statements

PERFORMANCES BIRMINGHAM LIMITED

BALANCE SHEET at 31 March 2007

	Notes	Group		Charity	
		2007	2006	2007	2006
		£000	£000	£000	£000
Fixed Assets					
Tangible fixed assets	12	1,001	1,055	1,001	1,055
Current Assets					
Stock	13	13	15	13	15
Debtors	14	571	31	614	31
Cash investments		2,839	470	2,839	470
Cash at bank and in hand		15	11	15	11
		<u>3,438</u>	<u>527</u>	<u>3,481</u>	<u>527</u>
Creditors - Amounts Falling Due Within One Year	15	(2,977)	(262)	(3,020)	(262)
Net Current Assets		<u>461</u>	<u>265</u>	<u>461</u>	<u>265</u>
Net Assets		<u>1,462</u>	<u>1,320</u>	<u>1,462</u>	<u>1,320</u>
Funds					
Designated funds	16	308	60	308	60
Other charitable funds	16	35	17	35	17
Total Unrestricted		<u>343</u>	<u>77</u>	<u>343</u>	<u>77</u>
Restricted funds	17	1,119	1,243	1,119	1,243
Total Funds		<u>1,462</u>	<u>1,320</u>	<u>1,462</u>	<u>1,320</u>

Approved by the Board of Trustees on
20 September 2007 and signed on its behalf by

 Trustee
 Trustee

The notes on pages 15 to 22 form part of these financial statements

PERFORMANCES BIRMINGHAM LIMITED

CONSOLIDATED CASH FLOW STATEMENT
For The Year Ended 31 March 2007

	Notes	2007 £000	2006 £000
Net income/ (expenditure) for year		142	(41)
Adjustments for			
Depreciation		54	54
Investment income		(112)	(59)
Changes in working capital			
Decrease/(Increase) in stock		2	(15)
(Increase)/Decrease in debtors		(540)	346
Increase/(Decrease) in creditors		2,715	(175)
Cash generated from operations		2,261	110
Interest received		112	59
Net cash from operating activities		2,373	169
Cash and cash equivalents at 1 April		481	312
Cash and cash equivalents at 31 March		2,854	481

	2007 £000	2006 £000
Cash and cash equivalents		
Cash at bank and in hand	15	11
Cash investments	2,839	470
	2,854	481

The notes on pages 15 to 22 form part of these financial statements

PERFORMANCES BIRMINGHAM LIMITED

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

	2007	2006
	£000	£000
Catering income	197	814
Sponsorship income	73	152
Rents received	13	13
Merchandise income	20	17
	303	996

Catering Income and costs comprised the following

	2007	2006
	£000	£000
Catering income	197	814
Labour	-	(331)
Costs of sales	-	(275)
Profit	197	208

From 1 April 2006 catering services were contracted out to NEC on a franchise fee basis

3. Investment income

	2007	2006
	£000	£000
Bank interest	112	59

PERFORMANCES BIRMINGHAM LIMITED

Notes to the Consolidated Accounts - continued

4 Income from charitable activities

(a) Rental and admissions analysis

	2007 £000	2006 £000
Rental		
City of Birmingham Symphony Orchestra	248	288
Local music users	151	158
Third party promoters	189	163
Other	29	33
	617	642
Admissions		
International concert season	687	663
Promoted and co-promoted events	2,537	2,288
Sunday afternoon, pre-concert and platform performances and other	92	60
	3,316	3,011
	3,933	3,653

(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

		2007 £000	2006 £000 restated
Operating deficit funding	(a)	-	1,555
Core grant	(b)	2,522	89
Subvention funding	(c)	580	580
		3,102	2,224

- (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 facilitated the transfer of this funding on behalf of Birmingham City Council
- (b) from 1 April 2006 the route for securing funding was revised. The charity was awarded a core revenue operating grant direct from Birmingham City Council to enable Performances Birmingham to fulfil its charitable aims and objectives at Symphony Hall and enable future charitable activity at Town Hall. A service level agreement was agreed between the charity and Birmingham City Council in relation to the 2006/07 Arts Grant award
- (c) these comprise subvention from Birmingham City Council, which contributes towards the funding of the International Series of concerts

PERFORMANCES BIRMINGHAM LIMITED

Notes to the Consolidated Accounts - continued

6. Resources expended

	Staff £000	Dep'n £000	Direct £000	Other £000	2007 £000	2006 £000
Cost of generating funds	58	-	-	14	72	606
Governance costs	19	-	-	11	30	22
Charitable activities - concert programmes	1,990	54	3,657	2,024	7,725	6,991
- education programme	-	-	-	138	138	204
Total resources expended	2,067	54	3,657	2,187	7,965	7,823

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 £1,003,000 and support costs (see note 7 for further information)

The above costs include

	2007 £000	2006 £000
Auditors remuneration	6	6
Operating leases - plant and machinery	17	17
Depreciation	54	54
Venue service charge	1,003	1,012

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 cost £113,676 (2005/06 £110,616) 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 Director, Town Hall & Symphony Hall and his management team which have been seconded from The National Exhibition Centre Limited. The average number of employees seconded was 51 (2005/06 41)

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

PERFORMANCES BIRMINGHAM LIMITED

Notes to the Consolidated Accounts – continued

8. Employee information (continued)

Staff costs analysis

	2007 £000	2006 £000
Wages and salaries	1,721	1,676
Social Security costs	107	84
Other pension costs	119	108
Other employment costs	120	87
	2,067	1,955

PBL has no employees but does second staff used by the charity in the daily discharge of activities from NEC Limited

The cost of pensions relates to benefits provided by NEC Limited

Emoluments of employees

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

	2007 Number	2006 Number
£60,001 - £70,000	1	1
£155,001 - £165,000	1	1

Staff numbers

	2007 Number	2006 Number
Charitable activities	49	40
Cost of generating funds	2	1
	51	41

9 Trustees' remuneration

The Chairman of the Trustees received remuneration during the year of £17,500 (2005/06, £14,583)

The other Trustees of the charity do not receive any remuneration, but are reimbursed any expenses for their services. In the year £3,106 was reimbursed for travel expenses incurred by five trustees (2005/06 £2,056 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

	2007 £'000	2006 £'000	2007 £'000	2006 £'000
	Sale of goods and services		Purchase of goods and services	
National Exhibition Centre Limited	197	-	3,185	3,235

The sale of goods and services includes the billing of commissions due from NEC under the terms of the franchise catering services

The purchase of goods and services includes the lease of Symphony Hall, venue services charges, secondment of staff from NEC and central support costs

PERFORMANCES BIRMINGHAM LIMITED

Notes to the Consolidated Accounts - continued

11 Taxation and charitable status

Performance 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

	2007 £000
Symphony Hall Organ Project	
Cost	
At 1 April 2006 and 31 March 2007	1,294
Accumulated depreciation	
At 1 April 2006	(239)
Provided during year	(54)
At 31 March 2007	(293)
Net book value of assets as at 31 March 2007	1,001
Net book value of assets as at 31 March 2006	1,055

13 Stocks

Stocks comprise goods for resale

14 Debtors

	Group		Charity	
	2007 £000	2006 £000	2007 £000	2006 £000
Amounts Falling Due Within One Year				
Trade Receivables	233	-	233	-
Trading subsidiary Gift Aid	-	-	44	31
Amounts owed by NEC Group	-	31	0	-
VAT	65	-	65	-
Prepayments and accrued income	273	-	272	-
	571	31	614	31

PERFORMANCES BIRMINGHAM LIMITED

Notes to the Consolidated Accounts - continued

15 Creditors – amount falling due within one year

	Group		Charity	
	2007	2006	2007	2006
	£000	£000	£000	£000
Trade payables	37	-	37	-
Amounts owed to NEC Group	518	262	563	262
Accruals and deferred income	2,422	-	2,420	-
	2,977	262	3,020	262

16. Unrestricted funds

		Balance				Balance
		1 April	Incoming	Amounts	Transfers	31 March
		2006	resources	utilised		2007
		£000	£000	£000	£000	£000
Designated Funds						
Trustees discretionary fund	(1)	7	-	-	-	7
General education	(2)	15	117	(41)	7	98
Organ education	(3)	37	28	(14)	-	51
Exhibition fund	(4)	1	1	-	-	2
Arts Support	(5)	-	-	-	150	150
		60	146	(55)	157	308
Other charitable funds						
Friends donations	(6)	2	3	(1)	-	4
Friends memberships		15	16	-	-	31
		17	19	(1)	-	35
General reserve		-	7,919	(7,769)	(150)	-
Total Unrestricted		77	8,084	(7,825)	7	343

These funds represent

- (1) funds held for future projects in support of the charity'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) surplus of funds received during the year have been ring fenced against future Arts Support events and will be applied at the discretion of Trustees to support future charitable activities
- (6) donations received from Friends of Symphony Hall in addition to their membership fees

PERFORMANCES BIRMINGHAM LIMITED

Notes to the Consolidated Accounts - continued

17. Restricted funds

		Balance				Balance
		1 April	Incoming	Amounts	Transfers	31 March
		2006	resources	utilised		2007
		£000	£000	£000	£000	£000
Organ construction and maintenance	(1)	1,157	3	(59)	-	1,101
Music technology disability/ equipment	(2)	12	15	(20)	6	13
Specific education	(3)	19	-	(5)	(14)	-
Staying alive	(4)	30	4	(35)	1	-
Singing manager	(5)	25	1	(21)	-	5
		1,243	23	(140)	(7)	1,119

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 held for the 'Staying Alive' project, which teaches children about healthy eating through music
- (5) funds held to support the post of Singing Projects Manager and sustain the vocal education work of the charity with children and young people

In accordance with the conditions of the fund category, Trustees have applied surplus funds to other charitable objectives in accordance with the terms of the funds received

18. Analysis of total funds

	Unrestricted	Restricted		
	Funds	Funds	2007	2006
	£000	£000	£000	£000
Analysis of type of asset and liability				
Tangible fixed assets	-	1,001	1,001	1,055
Current assets	3,320	118	3,438	527
Creditors falling due within the year	(2,977)	-	(2,977)	(262)
	343	1,119	1,462	1,320

19. Operating lease annual commitments

	Group		Charity	
	2007	2006	2007	2006
	£000	£000	£000	£000
Other leases which expire over five years	20	20	20	20

PERFORMANCES BIRMINGHAM LIMITED

Notes to the Consolidated Accounts - continued

20. Subsidiary company

Performances Birmingham Limited owns all the issued share capital, consisting of two ordinary shares of £1 which are nil paid, of Performances Birmingham (Enterprises) Limited, which performs trading activities associated with events held in Symphony 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.

	2007 £000	2006 £000
Income	283	966
Expenditure	(2)	(560)
Operating profit	281	406
Gift Aid to SHB Limited	(281)	(406)
Retained profit	NIL	NIL
Assets	45	31
Liabilities	(45)	(31)
Funds	NIL	NIL

21. The Member

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

Performances (Birmingham) Limited Officers and Management

The Trustees of the charity and Directors of the company at 31 March 2007 and at the date of approval of the balance sheet, all of whom were non Executive Directors, were

Mr Roger Burman CBE (Chairman)
Professor George Caird
Professor Colin Timms
Ms Anita Bhalla
Mr Dennis Scard
Mr James Moir CBE
Ms Christina Coker OBE
Sir Mervyn Pedelty
Mr David Hollingsworth
Councillor Sir Albert Bore
Councillor Mike Whitby
Mr Roger Hill

Finance & General Purposes Sub Group

Mr David Hollingsworth (Chair & Trustee)
Mr Dennis Scard (Trustee)
Sir Mervyn Pedelty (Trustee)

Performances Birmingham Education & Advisory Group

During 2006/07 the Performances Education & Advisory Group comprised

Professor Colin Timms (Chair & Trustee)	Peyton and Barber Professor of Music & Birmingham University
Other committee members	
Clare Smith	Freelance Disability / Community Advisor
John Clemson	Head of Birmingham Music Service
David Perkins	'Out-of-Hours' Director / Birmingham City Council
Jude Brennan	Teacher, City Road Primary School
Marilyn Pryce	Music Teacher, City Road Primary School
Richard Riley	Senior Tutor, Small Heath Secondary School
Matthew Daniels	Director, 'Sound it Out' Community Music -

Executive Management

Mr Andrew Jowett (Director, Town Hall & Symphony Hall)

Principal Places of Business and Advisers

Registered Office	Performances Birmingham Limited Symphony Hall Broad Street Birmingham B1 2EA Tel No 0121 200 2000
Auditors	PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT
Bankers	National Westminster Bank PLC Birmingham NEC Branch Piazza National Exhibition Centre Birmingham B40 1PR
Solicitors	Cobbetts LLP One Colmore Square Birmingham B4 6AJ