

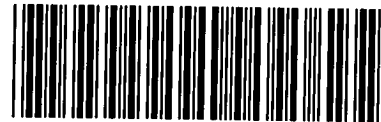
Charity Registration Number: 1053937
Company Registration Number: 03169600

PERFORMANCES BIRMINGHAM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Registered Office:
Performances Birmingham Limited
Symphony Hall
8 Centenary Square
Birmingham
B1 2EA

Tel. No. 0121 200 2000

TUESDAY



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PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2019

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**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2019**

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Officers and Management

The Trustees of the charity who were in office during the year and up to the date of the signing of the financial statements were:

	Appointed	Resigned/Retired
Ms Anita Bhalla OBE DL (Chair)	19 August 1996	
Ms Mary Martin MA FCA	27 May 2009	
Mr Vidar Hjordeng MBE BA PG Dip	18 June 2009	
Mr Ian Myatt	18 June 2009	
Mr James Tait	13 January 2014	
Professor Michael Whitby	13 January 2014	11 February 2019
Mr Joel Blake OBE	19 June 2014	
Mr Paul Faulkner	19 June 2014	
Mr Davinder Bansal	19 February 2015	
Councillor Ewan Mackey	24 July 2015	
Councillor Carl Joseph Rice	31 December 2017	6 July 2018
Councillor Alexander George Aitken	6 July 2018	
Ms Helen Bates	1 April 2017	
Ms Claire Evans	1 April 2017	
Mr Tony Howard	1 August 2019	
Mr Mac Alonge	1 August 2019	

The Directors of the trading company who were in office during the year and up to the date of the signing of the financial statements were:

	Appointed	Resigned/Retired
Mr Joel Blake OBE	19 February 2015	
Ms Nicola Keye	26 November 2015	
Mr D J R Pardoe	26 November 2015	
Ms Helen Bates	1 April 2017	1 August 2019
Ms Claire Evans	1 April 2017	
Mr Tony Howard	1 August 2019	
Ms Katie Rouse	1 August 2019	

Senior Management Team

Mr Nick Reed (CEO)
Mr Nick Loveland (COO)
Mrs Janine Bradley (Director of Finance)
Mr Richard Loftus (Director of Sales and Marketing)

Principal Place of Business and Advisers

Registered Office: Performances Birmingham Limited, Symphony Hall, 8 Centenary Square, Birmingham, B1 2EA.

Independent Auditor: Mazars LLP, 45 Church Street, Birmingham, B3 2RT.

Bankers: National Westminster Bank PLC, Birmingham NEC Branch, National Exhibition Centre, Birmingham, B40 1PR.

Solicitors: Browne Jacobson, Victoria Square House, Victoria Square, Birmingham, B2 4BU.

Company Secretary: Castlegate Secretaries Ltd, c/o Browne Jacobson, Victoria Square House, Victoria Square, Birmingham, B2 4BU.

Country of Incorporation: Registered and incorporated in the United Kingdom

Charity number: 1053937

Company number: 03169600

CHAIR'S REPORT

The past year has been a demanding but rewarding one for PBL, with the organisation responding to the twin challenges of maintaining its ambitious programme of music alongside preparing for Making an Entrance, the year-long construction project that will transform Symphony Hall. I am delighted to report that the organisation is thriving in spite of the increased workload for its staff and trustees.

The progress of the Making an Entrance project is detailed later in this report but in overview we have achieved every planned development and fund raising milestone in spite of the relatively short journey from concept to realisation. Over the year we have challenged ourselves and our partners to deliver a truly impactful redevelopment of Symphony Hall that will revolutionise how we work, and enhance the public realm of Centenary Square. On re-opening in 2020 we will welcome visitors through our own front doors into bright and accessible new foyers with performances spaces that will showcase our work and spark new musical discoveries for young and old. The whole PBL team is energised by the project and looking forward to the start of construction in August 2019.

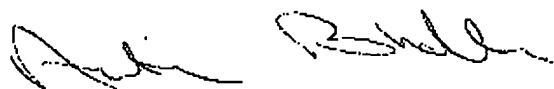
Our programme over the past year has been typically eclectic with performances that span genres and sometimes defy categorisation. Artists such as Gary Barlow and Biffy Clyro chose Symphony Hall for intimate acoustic shows rather than their usual arena tours, David Byrne delighted the audience with a remarkable fusion of music and movement and Gregory Porter, Sheryl Crow and KT Tunstall all played to packed houses. Another highlight was the BBC Young Musician of the Year final, broadcast live, and with a fairy tale ending as Birmingham piano prodigy Lauren Zhang took the title. Our resident orchestra the City of Birmingham Symphony Orchestra have continued to thrill audiences, their programme complemented by the many international classical visitors who have appeared in our halls as part of the Birmingham Classical season.

Although PBL is most visible in the star names that perform on the stages of Town Hall and Symphony Hall, much of our work takes place at a much smaller scale, connecting with individuals and communities across the City, helping to tell its musical stories. This might be a first taste of music for toddlers at one of our Musical Picnics or maybe a community choir enjoying the thrill of performing on one of the world's finest stages as part of Community Spirit. Throughout the year our Jazzlines programme strand has nurtured new talent, supported local artists and encouraged participation through our jazz summer schools and other projects. Jazzlines alumni are frequently to be spotted in some of the most exciting up and coming bands.

This year I am particularly grateful to all of PBL's trustees, many of whom have committed considerable time and effort to navigating the challenges of the Making an Entrance project, using their professional experience and influence in selfless support of our charitable objectives. Alongside the input of the executive, this year has been a team effort of which we can all be very proud. Staff at all levels in the organisation have given more than can be expected at this most challenging time. I want to thank them for their hard work and dedication.

I am pleased to once again report that PBL has generated a robust surplus for the year, allowing us to maintain a reasonable reserve and to commit to essential long term maintenance projects to keep our wonderful buildings in the best possible shape.

Anita Bhalla OBE, Chair, Performances Birmingham Limited



**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2019**

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Introduction

The trustees (who are also the directors of Performances Birmingham Limited for the purposes of company law) are pleased to present their annual trustees report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (October 2018) (FRS 102) (effective 1 January 2015) - ('Charities SORP (FRS102)').

Reference and administration information

The Charity has a 25 year lease with Birmingham City Council for Symphony Hall which commenced on 1 May 2015.

The Charity has a 99 year lease with Birmingham City Council for the Town Hall which was signed on 24 June 2016 effective 9 February 2007.

Authority to conduct the day-to-day operations of the charity is delegated by the Trustees to the Senior Management Team. The Senior Management Team 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 Senior Management Team is responsible for the implementation of policies and strategies on behalf of the Trustees.

Sub-group and Committees

Finance and Scrutiny Committee
Nominations Committee
Health and Safety Committee
Capital Development Committee
Capital Project Group

Trustee Constitutional Provisions

One third of trustees shall retire from office each year. A retiring trustee shall be eligible for re-election.

Structure, Governance and Management

Organisational structure

Performances Birmingham Limited is a company limited by guarantee by its Memorandum and Articles of Association that were last amended on 1 September 2011. Birmingham City Council is the sole member.

The charity has been registered with the Charity Commission 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'). PBEL is registered with Companies House for England and Wales under number 03146280. Registered Office: Performances Birmingham (Enterprises) Limited, Symphony Hall, 8 Centenary Square, Birmingham, B1 2EA. PBEL is governed by its Memorandum and Articles of Association that were last amended on 9 March 2007.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Governance

The governing body of PBL is the Board of Trustees. The Board consists of not less than 13 Trustees at the balance sheet date who appoint a Chairman. The Board are legally responsible for the governance and management of the charity.

The Trustees are nominated by the Nominations Committee and subsequently approved by the Board. They 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.

Employee Involvement and Employment of people with disability

As an employer THSH has a range of human resource policies that support our charitable objectives and our artistic vision to provide more music for more people. Our ambition to provide a relevant and accessible programme of events is matched by a need to work towards diversifying the workforce. Communication and participation are key, to that end we have an employee representative committee who meet regularly, an employee newsletter and regular CEO updates.

More widely we have an access forum; they are drawn from employees, customers and other experts in the field of diversity and access, and they support and guide the organisation to enable it to continue to work towards being a fully inclusive venue.

PBL has a diversity policy, respect in the workplace policy, and a long established open and transparent approach to the recruitment, retention and reward of staff.

Volunteers

THSH operates a volunteering programme whereby volunteers provide support and assistance to customers attending events. During the year ended 31 March 2019 15 (2018: 3) volunteers gave up 576 hours (2018: 64 hours) of their time to volunteer for THSH.

Trustee Induction and Training

Most Trustees are already familiar with the work of the charity having been encouraged to participate in Sub Groups, Committees and Focus Groups. New Trustees are invited to an induction session with the senior managers of the charity to familiarise themselves with the charity and the context within which it operates. A Trustee induction pack has also been circulated to all Trustees containing key documents and information about how the charity is organised and how it operates. An on-going programme of Trustee training is being devised to further enhance this area.

Decision Making

The Chief Executive Officer has delegated authority from the trustees for decision making but matters of key strategic importance are presented to trustees for debate and to benefit from their specific expertise. In terms of programme for example, the detail of individual performances within a season would be delegated to the executive but the decision on whether to introduce a new or high risk strand of programming would be shared with trustees. In general principle the CEO will present the risks and benefits of decisions and make a recommendation for board approval.

Fundraising

The fundraising team consists of 6 permanent members of staff who raise money from trusts and foundations, individuals and companies. During the year ended 31 March 2019 the team did not use external professional fundraisers or commercial participants in its fundraising activities. On 8 February 2019 Buffalo Fundraising Consultants were appointed to conduct a telephone campaign to raise funds for the Making an Entrance capital campaign. Buffalo Fundraising Consultants agree to adhere to any and all fundraising standards and schemes for fundraising regulation that PBL is voluntarily subscribed to.

The Capital Development Committee, which is designed to support the Making an Entrance capital campaign, includes four external individuals who have volunteered to assist in the fundraising team's activities. A document outlining the terms of reference for the roles and responsibilities of this committee has been drawn up and agreed.

The organisation has voluntarily signed up to the Fundraising Regulator, as a demonstration of its willingness to adopt and promote best practice and to raise funds in an appropriate and ethical manner. In addition, the fundraising team has drawn up its own Ethics and Gift Acceptance Policy which has been approved by the Trustees and the Capital Development Committee.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Number of complaints about fundraising activity - nil.

Objectives and Activities

PBL'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.

PBL continues 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, PBL aims to consolidate the City of Birmingham's international reputation for musical excellence.

PBL measures achievement of its objectives by using a rigorous budgeting process and then reporting regularly during the year on its performance against this budget in both financial and qualitative terms. PBL uses a suite of Key Performance Indicators to measure trading performance, and is developing reporting tools to give near real time feedback on the financial impact of its programming decisions. This granular understanding of how different events perform will become increasingly important as external support for the organisation declines.

Achievements & Performance

PBL enriches lives and inspires excellence through its commitment to excellence, diversity, audience engagement and creativity across a range of cultural experiences in Birmingham. The past year has seen PBL both thrive and grow at a time when declining public funding might typically have constrained organisational ambition.

The programme presented at Town Hall, Symphony Hall and venues across the city continues to balance high calibre artists and performers from all over the world with local and national artists, often working in partnership or collaboratively to provide the best possible experience for both artists and audiences. The combined classical programmes of PBL and CBSO confirm Birmingham's pre-eminence as the major UK musical centre outside London. Jazz through PBL's sub-brand, Jazzlines, continues to go from strength to strength and comprises an ever more intrinsic part of the programme, with the long-standing free foyer series complementing main-hall concerts as well as at venues and festivals throughout Birmingham and nationally. The depth and diversity of the programme across our venues has become a unique signature for the organisation and the happy collisions in the programme demonstrate our commitment to fostering an appreciation and love of music of all types. Artists such as John Grant, Gladys Knight, Youssou N'Dour, and Simon Rattle feature in the programme with equal weight as a new productions featuring home grown Birmingham talent celebrating the music of Pharrell Williams or local grime artists. Across the programme PBL has striven for a more inclusive programme, partnering with Black History Month and Pride, and by supporting organisations such as Midlands Mencap to try and make our spaces accessible to all. In the classical sector PBL has challenged agents and producers to better represent women composers and conductors in touring programmes.

For PBL to be a focus of regional aspiration remains a vital part of our remit, engaging with local schools and communities via our education and community programme, developing emerging talent both on and off the stage through programmes such as Jazzlines as well as enabling community groups and local hirers to hold all kinds of special events within our halls. PBL aspires for as many people as possible to feel pride and ownership in our halls, irrespective of whether they have attended an 'arts' event, or not: perhaps they graduated here; their children performed here or participated in our education programme; maybe they attended a community event here; or perhaps they saw either venue on the news, and shared a sense of pride in what Birmingham can offer. PBL's commercial team have ensured that both Town Hall and Symphony Hall remain sought after spaces for meetings and dinners, securing income that directly supports our charitable objectives.

During the year PBL has been anticipating the opportunities that the new foyer spaces will bring with a programme of gigs designed to create an appetite for more informal performance formats using more of the building. Programming strands such as Live at Five (emerging Birmingham artists) Brum Craic (comedy), Bring Your Own Baby (daytime comedy for new parents) and Africa Midweek have all welcomed new audiences to the building and nurtured new talent. These events have all landed well, and have complimented existing strands such as Friday Jazz, Midweek Explorers and Musical Picnics. At Symphony Hall the programming team has curated a series of intimate jazz, folk and Americana gigs, placing the audience and performers together on stage, creating intimate experiences that still benefit from Symphony Hall's acclaimed acoustic.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

During the year PBL's education function has evolved into Learning and Participation, again anticipating the opportunities that the dedicated spaces created by the Symphony Hall capital project will enable. In the past year PBL has continued to present marquee events such as Community Spirit and the Generation Ladywood showcase which are established and loved parts of the community calendar. Both these events are grown in the local community and schools respectively, with months of preparation going into the final celebratory performances at Symphony Hall. Both events are emblematic of our intent that our stages should be open to those at the start of their musical journey, just as much as the world's most established musicians.

Supporting PBL

Over the past 10 years PBL has had to respond to declining public funding by evolving into an organisation that is positioned to maximise its earned income. PBL now earns more than 90% of its income compared to about 75% 10 years ago and this ratio continues to improve. Notwithstanding this, support from individuals, corporate partners and trusts & foundations remains an essential income stream, and in many instances directly supports specific parts of the programme.

Over the past year PBL has been responding in earnest to the new challenge of maintaining revenue support while also raising new funds to support the capital project. To address this PBL engaged a fund raising consultant in 2017 to develop a strategy specifically for the capital project, and this has been deployed over the past year with great results. This strategy has informed the approach to trusts & foundations, low-level individual donors, corporate partners and high net worth individuals who are already well engaged with the organisation.

The capital fund-raising target of £1.5m looks comfortably achievable with major awards of £100,000 from an anonymous trust and a pledge of £125,000 from the Foyle Foundation already secured and 75% of the target for public fund raising secured only half way through the campaign. The Makers' Circle, a match funded tier of philanthropy in support of the capital campaign, has seen a total gift value of £33,000 (before Gift Aid). The campaign is also being supported by an extremely generous donor with a gift of £400,000.

In revenue fund raising PBL's fundraising team produced strong results for the 2018-19 year raising £473k (2018: £861k) against a target of £678k (2018: £659k). The total raised by the team when including capital income is £1,460k, an excellent result for an organisation of this size.

Particular thanks are given to Birmingham City Council, GBS Local Enterprise Partnership, Arts Council England and our many sponsors and donors for their support.

Financial review

The results of the charity for the year are set out in the Consolidated Statement of Financial Activities on page 16.

Overall there were a total of 580 ticketed events across Town Hall (275) and Symphony Hall (305) in 2018/19, which compares to a total of 576 in 2017/18 across Town Hall (266) and Symphony Hall (310).

The core grant from Birmingham City Council amounted to £1,450k (2018: £1,450k) and enables the charity to fulfil its current charitable purposes.

Expenditure in the year totalled £13,602k (2018: £14,165k). 88% of the expenditure relates to the delivery of the charity's objectives. 12% of the total expenditure incurred in the year is incurred through activities related to generating funds; these include income-generating activities such as catering, commercial hires, sponsorship, and retailing.

Subsidiary undertakings

The charity's wholly owned subsidiary, PBEL, continues to contribute to the charity's mission and its financial results are shown in note 25 to the consolidated financial statements.

PBEL continues to trade in the provision of food and beverage, commercial hires and gift shop, and in the year has contributed £350k in Gift Aid (2018: £550k) to the charity's results after PBL management fees and service charges of £741k (2018: £462k) and £56k (2018: £56k) PBL hall hire.

**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2019**

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Principal funding sources

The principal funding source for the charity is rental and admission income, contributing 53% (2018: 57%) of the total income. The grant received from Birmingham City Council constituted 10% (2018: 10%) of total funds this year.

Related party

The related party during the year was Birmingham City Council. Birmingham City Council is the sole member of PBL.

Investment policy and performance

The funds available for the charity to invest comprise 62% advance box office receipts and 38% cash reserves. 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. At 31 March 2019 £3,110k (2018: £3,396k) was held on 12 month fixed term deposits yielding 1.04% (2018: 0.94%) during the year. £2,581k (2018: £2,550k) was held on a 60 day notice account yielding 0.8%.

Basis of accounting

The annual financial statements of PBL, which are attached to this report, have been prepared under the Charities SORP (FRS102).

Pay policy

The framework comprises

- Approved pay bands and structure
- Pay levels reviewed annually as part of organisational reviews
- Any changes to pay levels arising from annual review are authorised by Finance and Scrutiny Committee

Reserves policy and analysis

The Trustees review the reserves policy on an annual basis.

Restricted Fund

In relation to the charity's Restricted Fund, these contain donations from trusts, foundations and individuals to be used for specific charitable objectives. The total balance of these funds at 31 March 2019 was £1,960K with £1,086k (2018: £1,164k with £547k) of this balance representing donations which were used to purchase the Symphony Hall organ and other assets and, as such, do not represent 'cash' items. A further £152k (2018: £147k) is held in reserve to cover future funding of organ maintenance at Symphony Hall. This will be used to maintain and refurbish the instrument. The remainder consists of funds raised to support Symphony Hall's Education and Community Programme as well as funds specifically donated for other purposes. A detailed analysis is given in note 18 to the accounts.

Unrestricted Fund

Policy

The Unrestricted Fund relates to carrying out the charity's general objectives. The Directors review the reserves policy every year and in the light of the changed economic conditions of the last few years which have forced our principal funder, Birmingham City Council, to cut their grants to all arts organisations. The Directors have agreed to build a level of general reserves of at least £1M to give the organisation the ability to be able to deal with unexpected events or to exploit new opportunities. The directors expect to achieve this over the next 2 to 4 years.

Symphony Hall and Town Hall are iconic buildings and a core part of Birmingham's landscape. Each venue hosts a wide range of music and non-music related events including party political conferences and corporate meetings which have a high media profile. The Trustees believe that it is the responsibility of PBL to maintain high standards of design and decoration at both venues and have therefore designated £1.3M of funds for this purpose.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

The 'Designated' Funds at 31 March 2019 totalled £1,604k (2018:£1,296), including £1.3M (2018:1M) for future building maintenance commitments for Town Hall and Symphony Hall and £239K (2018:£234K) for Making An Entrance, details of which are set out on page 10.

The 'General Reserve' fund has a balance of £460k (2018: £571k).

Principal business and financial risks and uncertainties

The charity's principal trading activities can be summarised as Own Promotion, Co-Promotion and Rental in the organising of events at Town Hall and Symphony Hall. Each of these categories of event has different risk profiles.

The charity manages these uncertainties and risks appropriately through a robust mechanism of controls which include monthly reporting of event profitability, daily monitoring of box office receipts for future events and pre-event profitability forecasts & analysis.

Risk management

The trustees have a risk management strategy which comprises:

- a quarterly review of the principal risks and uncertainties that the charity and its trading subsidiary face
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Birmingham City Council has indicated that its overall funding settlement for its cultural clients will not reduce over the next two years but the proportional split between clients may alter. A current significant financial risk is the likely further reduction in funding from Birmingham City Council (BCC). There is also a potential knock-on impact on smaller arts organisations that have historically used both venues. This risk is being mitigated through a number of initiatives; Active discussion with BCC and other parties over the value of the arts to the local community and city; Continuing to work with partner organisations to see if we can help support them in difficult economic circumstances; Expanding existing and developing new funding streams and increasing commercial streams through capital works.

Another current risk is the inability to invest in building infrastructure and long term maintenance due to falling funding. A plan to accumulate a designated fund for long term maintenance of both venues is built into our financial strategy. Trustees have agreed that £902,000 will be committed to long term maintenance projects over the next 3 years

The city centre Metro and Paradise redevelopment is a current risk to income due to complaints from patrons and concerns of noise and disruption. PBL is also being challenged by new charges imposed by Birmingham City Council to facilitate coach disembarkation on Cambridge Street as Broad Street is no longer available. This is being mitigated through communication with potential and existing clients, and maintaining conducive relationships with developers and local police.

Following the terrorist attacks in Manchester and London in May 2017 the security of our venues and safety of our patrons and staff has become our highest risk. Management of this risk is ongoing with additional planning and resource being deployed per event, and initiatives are in place to ensure additional bag checks and searches are not to the detriment of the patron experience. PBL is working closely with the ICC operational team to optimise the level of security provided within the Symphony Hall and the possibility of introducing perimeter security checks for the wider ICC complex is being explored.

Making an Entrance, the capital project to extend Symphony Hall, has its own risk register specific to that project. However there remains a risk that the fund-raising required specifically for this project could impact on PBL's general revenue fund raising activities. There is also a risk that staff and trustee time required to deliver the project could impact on the general operation of the charity.

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.

**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2019**

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Brexit

The charity is not likely to be significantly affected by the implications of the United Kingdom possibly withdrawing from the European Union in the near future.

Insurances of Directors

The charity maintained insurance for the Trustees in respect of their duties as Directors of the charity throughout the financial year ended 31 March 2019 and such indemnity insurance was in place at the date of approval of these financial statements. For the financial year under review the total cost of the indemnity insurance for the Trustees was £2.8k and the cover £2m (2018: £1.3k cost and £2m cover).

Public Benefit

In preparing these financial statements the Trustees have taken into consideration the Charity Commission guidance on public benefit. All PBL charitable purposes are for public benefit. All PBL trustees carry out their charity's purposes for public benefit, and reporting takes place each year to demonstrate this.

Plans for future periods

Working towards more ways to increase the value and impact of PBL's work

It is the Trustees' intention to build on the successes achieved to date so that both venues continue to work together to:

- 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,
- Identify and serve the needs of the multi-cultural population of the city,
- 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.

Funding Review

Birmingham City Council has always placed great value on culture in the city and the organisations that promote the arts - PBL has always been extremely grateful for the funding that it has received. Nevertheless, pressure on local government budgets are more intense than ever and as a result the amount of money which Birmingham City Council can devote to the arts has inevitably had to reduce over the past years.

Making an Entrance, the project to extend Symphony Hall's foyers and public spaces is PBL's strategic response to this decline in public funding and a significant step on the road to financial self-reliance. This project has prompted the development of a five year business plan that anticipates further reductions in grant funding but accommodates these with the following key interventions:

- An increase of over 200 events in the 5 year period
- A modest increase in the commercial programme
- Increases in bars and catering revenue arising from enlarged bars and a new food offer
- Increases in revenue from corporate hospitality and enhanced ticket packages
- Increases in revenue from meetings and conferencing at Town Hall
- Increases in trust and foundation revenue to support the growth in free and low priced foyer activities

PBL has invested in the success of this strategy with a comprehensive review of its Programme and Commercial teams, bringing all commercial revenues (conferencing, bars, retail, commercial partnership) under one head and all of its programme activity under another.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Forthcoming major projects

Making an Entrance: The Symphony Hall Capital Project

For some years PBL has recognised that the continued reduction in core funding from Birmingham City Council constitutes a significant challenge to the ambition of the organisation. In early 2016 PBL started to map a future where the organisation could not only endure this reduction but grow and become even more ambitious. Making an Entrance, the £13.2m project to extend and remodel Symphony Hall's public spaces, has become the physical vehicle to achieve this significant organisational change project.

This £13.2m project will see a new entrance for Symphony Hall, directly off Centenary Square, and the creation of 1,441 square metres of additional space for performance, learning and corporate hospitality. This additional space will also support a much enhanced food and drink offer and a relocated box office.

Making an Entrance is a physical opening up of Symphony Hall that mirrors our ambition that PBL should be more open to- and representative of - the talent youth and diversity of the region. Our new frontage will create a more permeable relationship with the public realm around us, and we will have the opportunity to dramatically expand our output of free, informal and spontaneous music making in our foyers. We will welcome new daytime visitors, and grow our evening audiences with much enhanced facilities. New bars and hospitality spaces will drive enhanced secondary income, bridging much of the anticipated funding gap.

During the past year the project has achieved significant milestones against a highly demanding timeline and construction is now due to start on schedule in August 2019. This year has seen the confirmation of £6m in grant funding from the Greater Birmingham and Solihull Local Enterprise Partnership, £4.5m in grant funding from Arts Council of England and several significant awards from national trusts and foundations. A public fund raising campaign commenced in spring 2019 and this is beating target showing that public support for the project is strong. This campaign will continue throughout the construction period, alongside calls for corporate support and partnership.

The construction period will run from August 2019 until September 2020, allowing the building to be complete in time for the CBSO Centenary concert in September and the Conservative Party Conference in October. During construction the hall will remain fully open, albeit with significantly reduced foyer spaces which will challenge the PBL team to maintain a reasonable level of customer amenity. The bars and catering team have been planning for the construction period by developing temporary bars, online ordering via the app and a drink at seat service.

The year-long closure of the foyers will displace some of the foyer activities such as Friday night Jazz but we are exploring using alternative spaces within the ICC, the Symphony Hall stage and Town Hall foyers as possible alternatives to maintain some continuity while the works take place.

As part of this project BCC have agreed to extend the lease of Symphony Hall to April 2050 subject to payment of a lease premium of £150k. Formal documentation to enable this to happen is in the course of preparation.

IT Infrastructure Project

In September 2019, PBL will move its entire IT infrastructure onto a brand new, self-managed platform. This represents a major change in IT strategy for the organisation, which has for the past 28 years relied upon the NEC Group for their hardware and software needs. A combination of factors, predominantly around service levels and the need to be more self-sufficient have prompted this decision. An in-house IT resource was appointed at the end of 2017 to start this project, and this individual, together with a recently recruited assistant has been focussed solely on planning and delivering this project. The increased cost of such a venture will be offset by the increased flexibility available online to the team, and increased productivity in all areas as a result of a better fitting service.

Finance System Project

In autumn 2018, PBL migrated its financial systems from Sage 200 to PS Financials. This will enable greatly improved financial and management reporting and streamline purchase ordering processes.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Trustees' responsibilities statement

The Trustees (who are also directors of Performances Birmingham Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report, the Strategic Report and the financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (October 2018) (FRS102) and the Companies Act 2006.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to the auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the Trustees on 1 August 2019 and signed on their behalf by:



Anita Bhalla OBE
Chair

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF PERFORMANCES BIRMINGHAM LIMITED

We have audited the financial statements of Performances Birmingham Limited (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2019 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The Trustees' view on the impact of Brexit is disclosed on page 9.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Group and Parent Charity's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the association as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group's and Parent Charity's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Group and the Parent Charity and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF PERFORMANCES BIRMINGHAM LIMITED (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF PERFORMANCES
BIRMINGHAM LIMITED (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Ian Hoeder (Senior Statutory Auditor)
for and on behalf of Mazars LLP, Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Date: 2 August 2019

PERFORMANCES BIRMINGHAM LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019

		2019	2019	2019	2018	2018	2018
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
		Fund	Fund	Fund	Fund	Fund	Fund
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Dorations and legacies	2	467	83	550	9	157	166
Charitable activities:							
Rental & admissions	3a	-	7,753	7,753	-	8,295	8,295
Grants receivable	4	745	1,450	2,195	457	1,450	1,907
Other charitable activities	3b	-	1,477	1,477	-	1,615	1,615
Other trading activities	5	-	2,563	2,563	-	2,596	2,596
Investments	6	-	57	57	-	49	49
Total		1,212	13,383	14,595	466	14,162	14,628
Expenditure on:							
Raising funds:							
Commercial trading operations	7	-	(1,460)	(1,460)	-	(1,387)	(1,387)
Fundraising	7	-	(177)	(177)	-	(149)	(149)
Charitable activities	7	(416)	(11,549)	(11,965)	(501)	(12,128)	(12,629)
Total		(416)	(13,186)	(13,602)	(501)	(13,664)	(14,165)
Net income / expenditure for the year		796	197	993	(35)	498	463
Transfers between funds	18/19	-	-	-	3	(3)	-
Net movement in funds		796	197	993	(32)	495	463
Fund balances brought forward at 1 April 2018		1,164	1,867	3,031	1,196	1,372	2,568
Fund balances carried forward at 31 March 2019		1,960	2,064	4,024	1,164	1,867	3,031

All the above results are derived from continuing activities. All gains and losses in the year are included in the above.

The notes on pages 18 to 35 form part of these financial statements

PERFORMANCES BIRMINGHAM LIMITED
GROUP AND CHARITY BALANCE SHEETS
AS AT YEAR ENDED 31 MARCH 2019

	Note	Group		Charity	
		2019	2018	2019	2018
		£000	£000	£000	£000
Fixed Assets					
Intangible fixed assets	12	128	-	128	-
Tangible fixed assets	13	1,668	816	1,668	816
Total Fixed Assets		1,796	816	1,796	816
Current Assets					
Stocks	14	43	61	-	-
Debtors	15	997	719	905	620
Cash Investments		5,691	5,946	5,691	5,946
Cash at bank and in hand		1,275	1,147	1,195	1,085
Total Current Assets		8,006	7,873	7,791	7,651
Creditors - amounts falling due within one year	17	(5,778)	(5,660)	(5,740)	(5,656)
Net Current Assets		2,228	2,213	2,051	1,995
Net Assets		4,024	3,031	3,847	2,811
The Funds of the Charity:					
Restricted Income Funds	18	1,960	1,164	1,960	1,164
Unrestricted Income Funds					
Designated funds	19	1,604	1,296	1,604	1,296
General reserve	19	460	571	283	351
Total Unrestricted Income Funds		2,064	1,867	1,887	1,647
Total Charity Funds		4,024	3,031	3,847	2,811

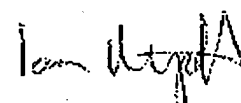
The charity has taken advantage of Section 408 of the Companies Act 2006 and paragraph 397 of the SORP and has not included a separate Statement of Financial Activities in these financial statements. The Statement of Financial Activities on page 15 include £12,829k (2018: £12,550k) of income and £12,142k (2018: £12,778k) of expenditure relating to the charity.

These financial statements were approved and authorised for issue by the Trustees and signed on their behalf by

Ms Anita Rhalla OBE



Mr Ian Myall



Date:

1/8/19

The notes on pages 18 to 35 form part of these financial statements

PERFORMANCES BIRMINGHAM LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2019

	Notes	2019 £000	2018 £000
<hr/>			
Cash flows from operating activities:			
Net cash provided by operating activities	21	944	1,246
Cash flows from investing activities:			
Dividends, interest and rents from investments		57	49
Purchase of property, plant and equipment		(1,130)	(105)
Net cash (used in) by investments:		(1,073)	(56)
Change in cash and cash equivalents in the reporting period		(129)	1,190
Cash and cash equivalents at 1 April 2018		7,095	5,905
Cash and cash equivalents at 31 March 2019	22	6,966	7,095

1. Accounting policies

Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (October 2018) (FRS102) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The October 2018 edition of the Charities SORP (FRS 102) includes amendments arising from the Financial Reporting Council's triennial review of the standard. There is no material effect on the amounts recognised in these financial statements as a result of early adopting these amendments.

Performances Birmingham Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounting policies mentioned have been applied consistently across the year.

Judgements and estimations

Management has not made any significant judgements in the process of applying the accounting policies and there are no areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Preparation of accounts on a going concern basis

These accounts have been prepared on the going concern basis. This is underpinned by:

- Robust budgetary control mechanisms
- Regular review of staff remuneration policies and non-pay cost reviews
- Regular review of our risk register
- Income growth targets in specific areas to mitigate the loss of public funding

Basis of consolidation

The Group's financial statements include the financial statements of the charity and its trading subsidiary, PBEL and have been prepared on a line-by-line basis. Uniform accounting policies are adopted across the group. A separate Statement of Financial Activities and income and expenditure account are not presented for the charity itself following exemptions afforded by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Income

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:

- Donations and legacies are accounted for on a receivable basis.
- Investment income is accounted for on an accruals basis.
- Charitable activity, trading and merchandising income is accounted for when earned.
- Grants are recognised when the entitlement to the grant is confirmed.

Investments

All of the charity's investments are held as cash deposits and the charity does not currently have any investments where losses can be incurred.

1. Accounting policies - continued

Expenditure

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

- Raising 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 for its concert programmes and educational programme, and indirect staff costs and overheads.
- Governance costs include those incurred in the governance of its assets and are associated with constitutional and statutory requirements.

Operating leases

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

Employee benefit costs

Contributions to pension schemes are charged to the Statement of Financial Activities as incurred (see note 8).

Intangible fixed assets and amortisation

Intangible fixed assets comprise software and IT system licences which are amortised over five years. The amortisation charge is included within expenditure on charitable activities within the Consolidated Statement Of Financial Activities.

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:

- Generation of new economic benefit;
- Enhancement in the economic benefit generated from existing assets; or
- Substantial increase in the economic life of existing assets.

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The cost of the Organ (note 13), which comprises 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). Other assets are being depreciated on a straight-line basis over their useful economic life as follows:

Over five years

Box office system, Town Hall projectors, Symphony Hall bars equipment, gift shop fixtures and fittings, digital media displays, dishwashers, refrigeration, tables and chairs, THSH Wi-Fi, Town Hall AV equipment

Over six years

Heineken bar

Over ten years

Gift shop build

Over twenty years

Symphony Hall lighting

Where an asset ceases to be used, or the value of that asset falls below the reported net realisable value (cost less depreciation to date) of that asset, an impairment review will be carried out by the charity.

1. Accounting policies - continued

Stocks

Stocks are stated at the lower of cost, being the purchase price for items, and net realisable value, being the lowest reasonable price attainable upon sale, on a first in, first out basis.

A provision has been made against slow moving stock where stock held exceeds 12 months sales.

Deferred Income

Box Office receipts received in advance are recognised as deferred income and valued at the amount received for advanced ticket sales.

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Funds

PBL 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 general reserve.

The general reserve relates to unrestricted funds that are available to carry out any of the charitable objectives of the charity.

The income generated from assets held as unrestricted funds is treated as unrestricted income.

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

The income generated from assets held in restricted funds is treated as restricted income unless either the terms of the original restriction specifically says otherwise or the restricted fund is an endowment fund, whose income is expendable at the Trustees' discretion.

2. Donations and legacies

Income from donations and legacies relates to donations received from individuals and trusts to further the charity's objectives.

PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. Income from charitable activities

(a) Rental and admissions

	2019	2018
	£000	£000
Rental		
City of Birmingham Symphony Orchestra	328	316
Local music users	274	297
Third party promoters	496	362
Other	8	30
	1,106	1,005
Admissions		
Birmingham Classical	340	417
Promoted and co-promoted events	6,303	6,869
Other	4	4
	6,647	7,290
	7,753	8,295

(b) Other charitable activities

This relates to services provided in connection with the rental of Town Hall and Symphony Hall, including box office commission and programme sales, which are integral to the activities and the delivery of the charity's objectives.

4. Grants receivable

	2019	2018
	£000	£000
Core grant (a)	1,450	1,450
Grants from beneficiaries (b)	745	457
	2,195	1,907

(a) The charity was awarded a core revenue operating grant from Birmingham City Council to enable PBL to fulfil its charitable aims and objectives at Town Hall and Symphony Hall. A service level agreement is agreed annually.

(b) This comprises grants received from a number of individuals, trusts, foundations and other grant giving organisations. The charity was awarded a grant from the Arts Council England to enable PBL to fulfil its charitable aims and objectives in relation to the Jazzlines series. A service level agreement is agreed every four years.

PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. Income from other trading activities

	2019	2018
	£000	£000
Catering income	1,726	1,703
Sponsorship income	122	106
Merchandise income	103	115
Rentals	612	672
	2,563	2,596

Part of the trading activity carried out by PBEL on behalf of PBL is to operate catering facilities at each venue.

6. Investments

	2019	2018
	£000	£000
Bank interest	57	49

PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. Expenditure

		Staff £000	Direct £000	Other £000	2019 £000
Raising funds	- commercial trading	521	875	64	1,460
	- fund raising	177	-	-	177
Charitable activities	- concert and educational programmes	2,471	6,513	2,948	11,932
	- governance costs	21	-	12	33
Total expenditure		3,190	7,388	3,024	13,602

		Staff £000	Direct £000	Other £000	2018 £000
Raising funds	- commercial trading	472	897	18	1,387
	- fund raising	149	-	-	149
Charitable activities	- concert and educational programmes	2,274	7,260	3,062	12,596
	- governance costs	21	-	12	33
Total expenditure		2,916	8,157	3,092	14,165

Direct costs are those associated with providing the activity, for example co-promoters share and artist fees.

Other costs relate to premises, professional services, marketing, information technology, telephone, printing and stationery, equipment purchase and repair and other sundry costs.

The above costs include:

	2019 £000	2018 £000
Auditor's remuneration - audit fees	17	16
- non audit fees	14	14
Operating leases - plant and machinery	5	5
Operating leases - land and buildings	46	46
Depreciation - owned tangible fixed assets	146	162
Amortisation - owned intangible fixed assets	4	-

8. Employee Information

The average headcount of core employees was 75 (2018:70) in the financial year. Staff costs also include variable employees engaged on a daily basis from time to time as the fluctuations in the charity's business dictate. All variable employees, as with the management team, are employed by PBL.

Staff costs analysis

	2019 £000	2018 £000
Wages and salaries	2,932	2,692
Social security costs	199	182
Other pension costs	59	42
	3,190	2,916

From 1 April 2008 certain employees were transferred to the company who participated in the NEC Limited defined benefit pension scheme. No surplus or deficit relating to past service was transferred to the company at this date, and the company is not liable for any deficit that would subsequently arise relating to past service. On 1 May 2015 NEC Limited was replaced as principal employer by PETPS (Birmingham) Limited. The status of the defined benefit pension scheme is disclosed in the financial statements of PETPS (Birmingham) Limited. The company is unable to identify its share of the underlying assets and liabilities in the scheme at the year end.

In 2008 all PBL members and new members joined the NEC's Group Personal Pension Plan (GPPP). This is a defined contribution scheme. On 31 March 2017 all members of NEC's GPPP were transferred to a PBL GPPP, following the review of pay and benefits during 2014 and 2015. The PBL scheme is a defined contribution scheme. Those staff not eligible to join the GPPP are auto-enrolled in the government's NEST scheme.

Higher paid employees

The number of employees whose emoluments, excluding pension contributions, fell within the following band is:

	2019 Number	2018 Number
£70,001 - £80,000	1	1
£120,001 - £130,000	1	1

Emoluments for this purpose include gross salary and benefits in kind and are stated before taking account of charges made to third parties. No retirement benefit contributions were made to the above employees.

Staff numbers

	2019 Number	2018 Number
By Activity		
Charitable activities	188	189
Cost of generating funds	70	65
	258	254

Staff numbers include the absolute number of staff employed; full-time, part-time and on a variable basis.

PERFORMANCE BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Key Management Personnel

	2019	2018
	£000	£000
Total remuneration (charity and group)	328	296

Key management personnel comprise five employees (2018: five employees)

Redundancy and Termination Payments

There were no termination payments in the year (2018: nil).

There were no liabilities in respect of redundancy and termination payments at the balance sheet date (2018: nil).

9. Trustees' remuneration

The Chairman of the Trustees received remuneration during the year of £20k (2018: £19k).

The other Trustees of the charity do not receive any remuneration, but are reimbursed any expenses for their services. In the year £187 was reimbursed for travel expenses incurred by one trustee (2018: £607 by two Trustees).

There are no retirement benefits paid to Trustees (2018: nil).

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

10. Related party transactions - Organisations

Birmingham City Council is the sole member of PBL. During the year the charity undertook the following transactions with Birmingham City Council:

	2019 £'000	2018 £'000	2019 £'000	2018 £'000
	Sale of goods and services		Purchase of goods and services	
Birmingham City Council	440	567	826	759

The purchase of goods and services includes the lease of Symphony Hall, venue services charges and business rates.

The amount due to Birmingham City Council included in trade creditors at 31 March 2019 was £33K (2018: £34k)

The amount due from Birmingham City Council at 31 March 2019 was nil (2018: nil)

Related party transactions - Trustees and Core Staff

Councillor Alex Aitken was a trustee of PBL from 6 July 2018. He is an elected member of Birmingham City Council.

Ms Helen Bates is a trustee of PBL and a director of PBEL. She is a director of the Greater Birmingham Chambers of Commerce, a co-opted member of St Basil's Business Support & Audit sub-committee and was Company Secretary of Birmingham Hippodrome Theatre Trust Limited until 1 September 2017.

Ms Anita Bhalla is a Trustee and Chair of PBL. She is a Trustee of The Saintbury Trust, a council member of The University of Warwick and a non- executive director of the Greater Birmingham & Solihull Local Enterprise Partnership.

Joel Blake is a trustee of PBL. He is an employee of the Greater Birmingham & Solihull Local Enterprise Partnership.

Councillor John Clancy was a trustee of PBL until 31 December 2017. He was a Director of West Midlands Growth Company Limited (previously Marketing Birmingham Limited) until 22 November 2017.

Mr Paul Faulkner is a trustee of PBL and a director of PBEL until 7 December 2017. He is the Chief Executive of the Greater Birmingham Chambers of Commerce and a non- executive director of Birmingham Women's and Children's Hospital.

Mr Vidar Hjordeng is a trustee of PBL. He is a board member of Birmingham Hippodrome Theatre Trust Limited.

Mr Nick Loveland is COO and a member of key management. He is a trustee of the Black Country Living Museum.

Councillor Ewan Mackey is a trustee of PBL. He is an elected member of Birmingham City Council and Royal Sutton Coldfield Town Council.

Mr Ian Myatt is a Trustee of PBL. He is an employee of the University of Birmingham and a board member of the Birmingham International Piano Competition.

Mr Nick Reed is CEO and a member of key management. He is a trustee of Music Beyond Mainstream.

Councillor Carl Rice is a trustee of PBL. He is an elected member of Birmingham City Council.

Mr James Tait is a Trustee of PBL. He is a partner at Browne Jacobson LLP.

Professor Michael Whitby was a Trustee of PBL until 11 February 2019. He is a board member at Birmingham REP and an employee of the University of Birmingham.

PBEL acts as a commercial hire venue and as a box office ticket agent for graduations of locally based Universities and other organisations. For related party disclosure the nature of the transactions is shown separately.

PERFORMANCE BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Transactions

		Group			
		Trading		Box Office	
		2019	2018	2019	2018
		£000	£000	£000	£000
Received from					
Browne Jacobson (trade exchange)	Owed nil (2018:nil)	10	10	-	-
Browne Jacobson (other)	Owed nil (2018:nil)	-	1	-	-
Birmingham Hippodrome Theatre Trust Limited	Owed nil (2018:£3k)	-	3	-	-
Birmingham International Piano Competition	Owed nil (2018:nil)	5	1	1	-
Birmingham REP	Owed nil (2018:nil)	1	-	-	-
Birmingham Women's and Children's Hospital	Owed nil (2018:nil)	15	-	-	-
Greater Birmingham Chamber of Commerce	Owed nil (2018:nil)	1	1	-	-
West Midlands Growth Company Limited (previously Marketing Birmingham Limited)	Owed nil (2018:£12k)	-	7	-	-
St Basil's	Owed nil (2018:nil)	1	-	-	-
University of Warwick	Owed nil (2018:nil)	-	2	-	-
Paid to					
Birmingham REP	Owed nil (2018:£1k)	1	6	-	-
Black Country Living Museum	Owed nil (2018:nil)	-	2	-	-
Browne Jacobson (trade exchange)	Owed nil (2018:nil)	10	10	-	-
Browne Jacobson (other)	Owed nil (2018:nil)	25	-	-	-
Greater Birmingham Chamber of Commerce	Owed nil (2018:nil)	3	2	-	-
West Midlands Growth Company Limited (previously Marketing Birmingham Limited)	Owed nil (2018:nil)	-	4	-	-
Music Beyond Mainstream	Owed nil (2018:nil)	1	8	-	-
University of Birmingham	Owed nil (2018:nil)	2	-	-	-

During the year PBL received a total of £427k (2018:£62k) in restricted donations from organisations connected to related parties.

11. Taxation and charitable status

As a charity, PBL is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

12. Intangible fixed assets - Group and Charity

	Total 2019 £000
Cost:	
At 1 April 2018	-
Transfer from tangible assets	40
Additions	92
At 31 March 2019	132
Accumulated depreciation:	
At 1 April 2018	-
Provided during year	(4)
At 31 March 2019	(4)
Net book value of assets as at 31 March 2019	128
Net book value of assets as at 31 March 2018	-

Intangible fixed assets comprise software and IT system licences.

13. Tangible fixed assets - Group and Charity

	2019 £000	2019 £000	2019 £000	2019 £000
	Construction Work in progress	SH Organ Project	Other	Total
Cost:				
At 1 April 2018	-	1,294	885	2,179
Transfer to intangible assets	-	-	(40)	(40)
Additions	613	-	425	1,038
At 31 March 2019	613	1,294	1,270	3,177
Accumulated depreciation:				
At 1 April 2018	-	(884)	(479)	(1,363)
Provided during year	-	(53)	(93)	(146)
At 31 March 2019	-	(937)	(572)	(1,509)
Net book value of assets as at 31 March 2019	613	357	698	1,668
Net book value of assets as at 31 March 2018	-	410	406	816

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14. Stocks

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Finished goods	43	61	-	-

Finished goods are bought in goods for resale and are valued at the lower of cost and net realisable value on a first in, first out basis. The replacement cost of stock is not materially different to the purchase cost.

	2019	2018
	£000	£000
Finished Goods		
Catering	26	41
The Shop	32	41
Cost of stock	58	82
Slow-moving stock provision	(15)	(21)
	43	61

15. Debtors

	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£000	£000	£000	£000
Amounts Falling Due Within One Year				
Trade debtors	251	256	109	131
Other debtors	238	48	238	48
Value Added Tax	-	-	66	32
Prepayments	470	371	466	366
Accrued income	38	44	26	43
	997	719	905	620

16. Accrued Income

	Group 2019 £000	Group 2018 £000	Charity 2019 £000	Charity 2018 £000
Accrued income brought forward	44	83	43	42
Released in the year	(44)	(83)	(43)	(42)
Accrued in the year	38	44	26	43
Accrued income carried forward	38	44	26	43

17. Creditors - amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Charity 2019 £000	Charity 2018 £000
Trade creditors	221	265	170	206
Amounts owed to group undertakings: PBEL	-	-	270	432
Value Added Tax	11	27	-	-
Taxation and social security	57	53	57	53
Other creditors	1,934	1,750	1,915	1,640
Accruals	934	841	902	810
Deferred income	2,621	2,724	2,426	2,515
	5,778	5,660	5,740	5,656

Deferred Income

	Group 2019 £000	Group 2018 £000	Charity 2019 £000	Charity 2018 £000
Deferred income brought forward	2,724	2,572	2,515	2,572
Released in the year	(2,691)	(2,557)	(2,488)	(2,572)
Deferred in the year	2,588	2,709	2,399	2,515
Deferred income carried forward	2,621	2,724	2,426	2,515

Deferred income comprises amounts, such as hall rental, invoiced for future events together with amounts received for the purchase of tickets for future events promoted or co-promoted by PBL.

18. Restricted income funds

		Balance 1 April 2018 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2019 £000
Organ construction	(1)	411	-	(54)	-	357
Organ maintenance	(2)	147	5	-	-	152
Community Spirit (Sing for all)	(3)	16	8	(5)	-	19
Generation Ladywood projects	(4)	164	40	(72)	-	132
Project soundlounge	(5)	33	6	(24)	-	15
Jazzlines projects	(6)	86	88	(131)	-	43
Birmingham classical	(7)	-	5	-	-	5
Gift shop capital grant	(8)	48	-	(8)	-	40
Thrive project	(9)	80	-	(27)	-	53
Small education projects	(10)	13	56	(46)	-	23
Small non-education projects	(11)	65	17	(49)	-	33
Capital campaign	(12)	101	987	-	-	1,088
		1,164	1,212	(416)	-	1,960

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.

These funds represent:

- (1) The net book value of the Symphony Hall Organ (note 13).
- (2) Donations received from Organ appeals which will be used to maintain and refurbish the instrument.
- (3) Funding held to sustain the vocal education work of the charity with children and young people.
- (4) Funding for the purpose of completing projects within the Ladywood community.
- (5) Funding to develop young programmers to produce a festival for young people by young people.
- (6) Funding for a number of Jazzlines projects, including the Jazzlines programme funded by the Arts Council England.
- (7) Funding for Birmingham Classical Concert Season programme during 2019-20.
- (8) Funding for the refurbishment of the gift shop.
- (9) Funding for digital media displays.
- (10) Funding for a number of smaller projects to support the education and community programme.
- (11) Funding held for a number of ad hoc projects.
- (12) Funding held for 'Make an Entrance' - the capital project to extend the performance and hospitality space at Symphony Hall.

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19. Unrestricted income funds

		Balance 1 April 2018 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2019 £000
Designated Funds						
General education	(1)	23	3	-	-	26
Organ education	(2)	39	-	-	-	39
Building maintenance reserve	(3)	1,000	-	-	300	1,300
Making an Entrance	(4)	234	5	-	-	239
		1,296	8	-	300	1,604
General reserve	(5)	571	13,375	(13,186)	(300)	460
Total Unrestricted		1,867	13,383	(13,186)	-	2,064

These funds represent:

- (1) Funds held to be used in support of educational work by the charity.
- (2) Funds received for use on education work relating to the organ.
- (3) Funds ring fenced against future commitments relating to the maintenance and upkeep of Town Hall and Symphony Hall buildings and will be applied at the discretion of Trustees.
- (4) Funding held for 'Make an Entrance' - the capital project to extend the performance and hospitality space at Symphony Hall.
- (5) The general reserve represents unrestricted funds. The Trustees have agreed to build a level of general reserves of at least £1M to give the organisation the ability to be able to deal with unexpected events or to exploit new opportunities. The directors expect to achieve this over the next 2 to 4 years.

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20. Analysis of total funds

	Unrestricted Funds £000	Restricted Funds £000	2019 £000
Analysis of type of asset and liability			
Intangible fixed assets	128	-	128
Tangible fixed assets	582	1,086	1,668
Current assets	7,132	874	8,006
Creditors falling due within the year	(5,778)	-	(5,778)
	2,064	1,960	4,024

	Unrestricted Funds £000	Restricted Funds £000	2018 £000
Analysis of type of asset and liability			
Tangible fixed assets	269	547	816
Current assets	7,258	617	7,875
Creditors falling due within the year	(5,660)	-	(5,660)
	1,867	1,164	3,031

21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £000	2018 £000
Net income for the reporting period	993	463
Adjustments for:		
Depreciation charges	150	162
Dividends, interest and rents from investments	(57)	(49)
Decrease / (Increase) in stock	18	(9)
(Increase) in debtors	(278)	(97)
Increase in creditors	118	776
Net cash provided by operating activities	944	1,246

22. Analysis of cash and cash equivalents

	31 March 2019 £000	31 March 2018 £000
Cash at bank and in hand	1,275	1,149
Cash investments	5,691	5,946
	6,966	7,095

23. Pension commitments

The pensions of employees of the Charity are provided by way of a defined contribution scheme. The pension cost charged to the Statement of Financial Activities during the period was £59k (2018: £42k). Unpaid pension contributions at the year end totalled £11k (2018: £8k).

24. Operating lease commitments

Minimum lease payments in respect of non-cancellable operating leases:

	Plant & Equipment		Land & Buildings	
	2019	2018	2019	2018
	£000	£000	£000	£000
1 year	5	5	46	46
2 to 5 years	5	9	185	185
Over 5 years	-	-	742	789

PBL has a 25 year lease with Birmingham City Council for Symphony Hall which commenced on 1 May 2015. Rent of £46K is payable annually.

PBL has a 99 year lease with Birmingham City Council for Town Hall which commenced on 9 February 2007. A peppercorn rent is payable annually.

25. Subsidiary company

PBL owns all the issued share capital, consisting of two ordinary shares of £1 which are nil paid, of PBEL, which performs trading activities associated with events held in Town Hall and 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 2019 is shown below:

	2019 £000	2018 £000
Income	2,563	2,596
Expenditure	(2,257)	(1,905)
Taxation	-	-
Operating profit	306	691
Retained profit brought forward	220	79
Gift Aid to PBL	(350)	(350)
Retained profit carried forward	176	220
Assets	550	689
Liabilities	(374)	(469)
Net Assets	176	220

26. Events after the end of the reporting period

On 14 April 2019 The Local Enterprise Partnership approved funding of £6m in respect of the capital project (Making an Entrance).

On 15 May 2019 The Arts Council approved funding of £4.5m in respect of the capital project (Making an Entrance).

27. Capital commitments

On 11 March 2019 PBL entered into a pro-construction services agreement which committed the charity to expenditure of £108k in respect of the capital project (Making an Entrance).

On 17 July 2019 PBL entered in a construction agreement (letter of intent) which committed the charity to expenditure of £534k in respect of the capital project (Making an Entrance).

The Trustees have authorised, but not yet contracted for, construction costs of £10m in respect of Making an Entrance.

28. The member

Performances Birmingham Limited is a company limited by guarantee by its Memorandum and Articles of Association that were last amended on 1 September 2011. Birmingham City Council is the sole member.

The governing body of PBL is the Board of Trustees. The Board consists of not less than 13 Trustees at the balance sheet date who appoint a Chairman. The Board are legally responsible for the governance and management of the charity.