

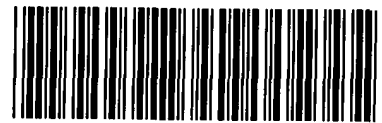
Charity Registration Number: 1053937
Company Registration Number: 03169600

PERFORMANCES BIRMINGHAM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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

Tel. No. 0121 289 6300

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**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

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**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

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 Kumari Bhalla OBE DL (Chair 27 February 1994)	19 August 1996	
Ms Mary Julia Martin MA FCA	27 May 2009	
Mr Vidar Paul Hjärdeng MBE BA PG Dip	18 June 2009	
Mr Ian Philip Myatt	18 June 2009	
Mr James Tait	13 January 2014	
Mr Joel Graham Blake OBE	19 June 2014	
Mr Paul John Faulkner	19 June 2014	
Mr Davinderpal Bansal	19 February 2015	
Councillor Ewan Forbes Mackey	24 July 2015	
Councillor Alexander George Aitken	6 July 2018	
Ms Helen Elizabeth Bates	1 April 2017	
Ms Claire Jane Evans	1 April 2017	
Mr Anthony Roger Howard	1 August 2019	
Mr Oluwamayokun 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 Anthony Roger 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)
Mrs Nicole Evans (Director of Commercial Services)

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, Solihull, High Street (A) Branch, Solihull, Birmingham, B91 3TF.

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 England and Wales

Charity number: 1053937

Company number: 03169600

CHAIR'S REPORT

This has been a year of great achievements for PBL but one that has sadly ended in the long shadow of the global coronavirus pandemic.

I am pleased to report however, that the financial performance of the charity over the past few years now allows us to face the uncertainties ahead with more confidence than many of our peers in the cultural sector. We retain robust reserves, and our importance to the cultural eco-system has been resoundingly endorsed with a substantial award from the Culture Recovery Fund. Our trustees and executive team are challenged by the ongoing uncertainty but rising to these challenges daily. Recent announcements of a successful vaccine are adding new hope and our commitment to our mission to inspire a love of live music through performance, participation and learning remains resolute.

Writing in November 2020 when live music is once again unable to take place only serves to amplify the sense of community and joy that our work inspires in our audiences, and the sheer volume of activity that PBL presents over a typical year. This year has seen over 692 different events take place and 493,493 people visit our halls or take part in our community work. The breadth of musical genres on offer has once again been dizzying with classical treasures, rock n' roll legends, Sufi super stars and emerging grime artists all bumping shoulders in a typical week of programming. Our resident orchestra the CBSO have continued to enchant audiences as they approach their Centenary season, and our work in schools and communities has continued to open young minds to the power of music.

During the year Symphony Hall has undergone a stunning transformation as the Making an Entrance project has finally moved from planning to reality. Progress since our contractors started on site in August 2019 has been remarkable and the new spaces created are truly breath-taking. It is a credit to the design and construction team, and the project has stayed on time and on budget due to the attentive supervision of fellow trustees. That Symphony Hall remained operational during such a major construction project is a testament to the forward planning of the team and the resourcefulness of PBL's staff in finding new ways to manage audiences in restricted spaces.

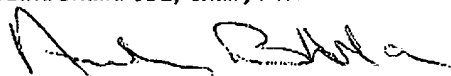
Symphony Hall now boasts a spectacular new façade looking directly onto Centenary Square and completing a public realm that would be the envy of any city around the world. Beyond this façade and through our grand new entrance lie new spaces for performance, learning and relaxation that will be a central part of our strategy to engage audiences over the coming years. We now look forward to sharing them just as soon as it is safe to do so.

I would like to thank all our donors, individuals, trusts and public bodies who have supported us in the past year and have stood by us as we create a new vision for the future, one which will lead to greater sustainability in the future.

The backbone of our organisation is the dedicated team of staff who go beyond the call of duty to make things happen, to come up with creative and sustainable ideas that make us who we are. A big thank you to you all. Sadly, as a result of COVID-19 we have had to lose some staff, it was painful but needed to ensure the future of the organisation.

I also want to take this opportunity to thank the trustees of both the PBL Board and PBEL, who during the year have given up their time and expertise selflessly and in good humour. We will need their commitment in the coming years as we recover from the impact of COVID-19.

Anita Bhalla OBE, Chair, Performances Birmingham Limited



**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

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 2020 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. A new lease takes effect in reversion to the existing lease on 29 September 2026 and ends on 28 April 2050.

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 their 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
COVID-19 Committee

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.

**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

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 2020 14 (2019: 15) volunteers gave up 1,572 hours (2019: 576 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 5 permanent members of staff who raise money from trusts and foundations, individuals and companies. 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.

Number of complaints about fundraising activity - nil.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

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

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.

This year has seen a typically strong and eclectic mix of artists selling out at Town Hall and Symphony Hall alongside grass roots interventions both in our halls and in the community. The year started fittingly with a world debut as legendary producer Giorgio Moroder played his first ever live show at Symphony Hall on April 1st introducing a year of headliners that included Nick Cave, Ronnie Wood, k.d.lang, Gladys Knight, Ru Paul, Frank Turner, Keane and Beverley Knight. As well as these sell outs of over 2,000 tickets, Symphony Hall hosted some intimate shows with artists such as Reuben James and Cara Dillon where both artists and audience were brought together on the concert platform.

Town Hall hosted an equally varied programme which included events ranging from the launch of season 5 of Peaky Blinders to legendary voices such as Robert Plant. An inclusive programming policy and collaboration with partners across the city were evident throughout the year with grime pioneer Kano, American post-metal band Neurosis and folk legend Kate Rusby typifying the musical mix. This year PBL formed the THSH Reggae Choir as a community project which played a joyful part in the Jazz Jamaica celebration of Trojan Records' 50th anniversary.

Both halls hosted major community projects ranging from established projects such as the Generation Ladywood Showcase and Community Spirit to a new partnership with Nicola Benedetti training young violinists and their tutors. PBL's Jazzlines programme has continued to thrive, nurturing young talent through various ensembles and presenting concerts both in PBL's halls and in venues across the city.

PBL's resident orchestra the CBSO played a full season of concerts in the run up to their Centenary season and this was complemented by PBL's Birmingham Classical Season which featured both old friends such as Sir Simon Rattle and the emerging superstar Sheku Kanneh-Mason.

Alongside music, comedy and spoken word remains a key part of PBL's output. Visitors this year ranged from literary figures such as Armistead Maupin and Simon Armitage to adventurers such as Sir Rannulph Fiennes and Ben Fogle. Podfest 2019 brought together leading lights in podcasting to a weekend of events at Town Hall. Non-concert activity has continued to be an important part of PBL's income mix with events such as graduations, dinners and trade events both supporting the charity's work and providing another context for different communities to enjoy its halls.

Throughout the year PBL continued to engage with contemporaries around the world through its participation in international consortia such as the European Concert Hall Organisation and with peers in the informal network of Arup designed concert halls. At the end of the year PBL hosted the Jazz Connectives event, bringing together Jazz practitioners from across Europe.

On March 15th 2020 Jamie Cullum played to a sold out audience at Symphony Hall. Before the performance Jamie met several artists that had been supported by PBL's Jazzlines programme and agreed to endorse future gigs from these performers under the "Jamie Cullum Presents" banner. Sadly, this concert turned out to be the last one presented by PBL before the global COVID-19 pandemic took hold, and the UK entered a national lockdown. The profound impact of this crisis and the charity's response is detailed later in these accounts.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

IT Infrastructure Project

In January 2020, PBL moved 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.

In March 2020, this new IT infrastructure was invaluable in enabling staff to work from home and allow back-office functions to continue during lockdown.

Making an Entrance: The Symphony Hall Capital Project

Making an Entrance is PBL's ambitious project to maximise the artistic and commercial impact of Symphony Hall, one of the charity's key physical assets.

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.

Making an Entrance is a physical opening up of Symphony Hall that mirrors the ambition that PBL should be more open to- and representative of - the talent youth and diversity of the region. The new frontage will create a more permeable relationship with the public realm and will give the opportunity to dramatically expand the output of free, informal and spontaneous music making in Symphony Hall's foyers. In parallel with this, a much-expanded bar and food offer will maximise the commercial potential of the building, positively supporting the scope of the charity's work.

The project has made substantial progress during the year, moving from planning and fund-raising into construction, and it is now on schedule to be completed by November 2020. During the year PBL has successfully navigated all the key project milestones involving fund-raising, a complex legal process, the appointment of contractors and managing the project once live. The project is scheduled to finish on budget, and following a pragmatic extension of term, on time.

The project commenced on the ground in August 2019 and has proceeded without major incident despite the twin challenges of firstly managing a "live" venue adjacent to a building site, and subsequently all the coronavirus impacts on the supply chain since March 2020.

The loss of virtually all foyer space meant that the costs of stewarding and performances increased and revenue from bar sales declined. Both of these factors were anticipated in the budget, and creative solutions from the bar and catering team meant that loss in bar revenue was significantly less than forecast.

The initial project cost of £13.2m contained a relatively modest amount for fixtures, fittings and equipment which PBL has sought to supplement as the end of the project approaches. After several months of negotiation, the West Midlands Combined Authority is now supporting the project with a grant of £250,000 which will allow the level of fit out that the building deserves.

Despite various challenges during construction PBL has been well supported with trustees involved in dedicated committees for both fund raising and project management. The professional design and construction team has worked well together, and lead contractor Galliford Try have proved to be an excellent appointment. Despite a much-diminished staff team due to furlough and redundancy, PBL has been able to manage the project effectively, developing new skills in the staff involved.

The new spaces created by the project are stunning in their translation from page to reality, with a sense of scale and drama that punches well above expectation. Comment from the handful of stakeholders that have been able to visit the site has been universally positive.

Any launch events remain hostage to the ongoing pandemic and are unlikely to take place until Spring 2021.

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 about 90% of its income compared to about 75% 10 years ago. 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.

Revenue fund-raising has achieved target this year of circa £500,000 with Memberships rising by 10% compared to last year.

The capital fund-raising target of £1.5m has been surpassed this year with modest excess funds available to enhance the fit-out budget for the new foyer. Trust and Foundation support of £589,648 includes £125,000 from the Foyle Foundation, £100,000 from WickesAid, £100,000 from Garfield Weston Foundation and £100,000 from Saintbury Trust.

The Philanthropic income includes a gift from an extremely generous donor of £400,000. The public campaign for Making an Entrance began in April 2019, which included a campaign microsite, detailing the new building facilities and impact, a telephone campaign and a direct mail campaign targeted at 12,000 of Symphony Hall's warmest and most frequent attenders. Philanthropic income received at 31st March totalled £765,793.

In revenue fund raising PBL's fundraising team raised £102k (2019: £473k) against a target of £119k (2019: £678k) with the main effort being directed towards raising funds for MaE. The total raised by the team when including capital income is £7,025k (2019: £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 590 ticketed events across Town Hall (236) and Symphony Hall (354) in 2019/20, which compares to a total of 580 in 2018/19 across Town Hall (275) and Symphony Hall (305).

The core grant from Birmingham City Council amounted to £1,354k (2019: £1,450k) and enables the charity to fulfil its current charitable purposes.

Expenditure in the year totalled £13,379k (2019: £13,602k). 89% of the expenditure relates to the delivery of the charity's objectives. 11% 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 26 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 £207k in Gift Aid (2019: £350k) to the charity's results after PBL management fees and service charges of £715k (2019: £741k) and £50k (2019: £56k) PBL hall hire.

**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Principal funding sources

The principal ongoing funding source for the charity is rental and admission income, contributing 58% (2019: 58%) of the unrestricted income. The grant received from Birmingham City Council constituted 11% (2019: 11%) of unrestricted income this year. The charity received £6,923k (2019: 408k) in funding for Making An Entrance 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 46% advance box office receipts and 54% 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 2020 £1,010k (2019: £3,110k) was held on 12 month fixed term deposits yielding 1.15% (2019: 1.04%) during the year. £1,716k (2019: £2,581k) was held on a 60 day notice account yielding 0.85% during the year.

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 2020 was £8,857k with £6,318k (2019: £1,960k with £1,086k) of this balance representing donations which were used to fund the foyer extension (MaE) and purchase the Symphony Hall organ and other assets and, as such, do not represent 'cash' items. A further £147k (2019: £152k) 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 within five years, however the ongoing impact of the pandemic is unknown at this stage.

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.

**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

The 'Designated' Funds at 31 March 2020 totalled £1,423k (2019:£1,604k), including £1.3m (2019:1.3m) for future building maintenance commitments for Town Hall and Symphony Hall and £44k (2019:£239k) for Making An Entrance, details of which are set out on page 10.

The 'General Reserve' fund has a balance of £245k (2019: £460k).

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.

In April 2020 Trustees formed a COVID-19 Committee to address the unique risks faced by PBL arising from the pandemic on finance, operations and the health and safety of both staff and the visiting public. This Committee meets twice a month.

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.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

COVID-19

The global COVID-19 pandemic has profoundly impacted the work of the charity.

The introduction of a national lockdown on March 16th 2020 and the subsequent restrictions on public assembly have made the charity's established business model fundamentally inoperable. The charity does however remain viable due to the relatively robust nature of its reserves on entering the crisis, and through successfully bidding for emergency government funds as they have been announced. Payroll costs have been mitigated through a combination of using the government's furlough scheme and subsequently, staff redundancy. Approximately one third of the charity's permanent staff have been lost through either voluntary or compulsory redundancy.

The fundamental challenge to PBL's business model introduced by the pandemic is the concept of social distancing. In order to comply with sector guidelines on audience spacing, the seating capacities at both Symphony Hall and Town Hall need to be reduced by almost 80%. This reduction in capacity and associated box office revenue makes almost all of the typical programme unviable.

From the start of the pandemic PBL's strategy has been to minimise all overheads and reduce staffing to an absolute minimum in order to maximise the benefits of the furlough scheme. Despite operating with just a skeleton team of staff PBL has kept regularly connected with its audiences and stakeholders, moving many activities into the digital space. Weekly streamed concerts, new artist commissions and online community events have kept audiences engaged and encouraged donations.

The completion of the major IT upgrade in January 2020 has meant that PBL was able to move seamlessly into working off site as soon as restrictions were introduced in March. There is no doubt that this investment in IT infrastructure, combined with the goodwill of staff, has played a key part in the charity's organisational resilience.

News in November 2020 of a C19 vaccine give confidence that PBL will be able to survive through the 20-21 year and beyond even with a protracted return to normal activity. Planning for this future is the key focus for the charity's trustees and executive team. Despite the profound threat to the charity's existence, the crisis continues to prompt economy, innovation and agility in how the charity works that will carry forward positively into the 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 2020 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 (2019: £2.8k 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.

**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

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.

The impact of the pandemic has brought this financial strategy into sharp relief. PBL has been able to draw on general reserves to survive in the post balance sheet period and secure £300,000 of Arts Council England Emergency Response Fund and £2,534,675 Culture Recovery Fund.

Targets for growth in earned income remain ambitious, though the timeline to achieve those goals will need rebasing to allow for a recovery period and public confidence to return.

Forthcoming major projects

Making an Entrance

Plans are underway for a Making an Entrance launch weekend in 2021 to celebrate the opening of the new entrance to Symphony Hall, foyer spaces and new café.

**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

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 3rd December 2020 and signed on their behalf by:



Anita Bhalla OBE
Chair

07/12/20

**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 2020 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 2020 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.

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.

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.

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

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.

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.

**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

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

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

Date: 10/12/20

PERFORMANCES BIRMINGHAM LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020

		2020	2020	2020	2019	2019	2019
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
		Fund	Fund	Fund	Fund	Fund	Fund
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	2	369	97	466	467	83	550
Charitable activities:							
Rental & admissions	3a	-	7,387	7,387	-	7,753	7,753
Grants receivable	4	6,835	1,399	8,234	745	1,450	2,195
Other charitable activities	3b	-	1,591	1,591	-	1,477	1,477
Other trading activities	5	-	2,151	2,151	-	2,563	2,563
Investments	6	-	51	51	-	57	57
Total		7,204	12,676	19,880	1,212	13,383	14,595
Expenditure on:							
Raising funds:							
Commercial trading operations	7	-	(1,288)	(1,288)	-	(1,460)	(1,460)
Fundraising	7	-	(153)	(153)	-	(177)	(177)
Charitable activities	7	(507)	(11,431)	(11,938)	(416)	(11,549)	(11,965)
Total		(507)	(12,872)	(13,379)	(416)	(13,186)	(13,602)
Net income / expenditure for the year		6,697	(196)	6,501	796	197	993
Transfers between funds	18/19	200	(200)	-	-	-	-
Net movement in funds		6,897	(396)	6,501	796	197	993
Fund balances brought forward at 1 April 2019		1,960	2,064	4,024	1,164	1,867	3,031
Fund balances carried forward at 31 March 2020		8,857	1,668	10,525	1,960	2,064	4,024

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 36 form part of these financial statements

**PERFORMANCES BIRMINGHAM LIMITED
GROUP AND CHARITY BALANCE SHEETS
AS AT YEAR ENDED 31 MARCH 2020**

	Note	Group		Charity	
		2020 £000	2019 £000	2020 £000	2019 £000
Fixed Assets					
Intangible fixed assets	12	128	128	128	128
Tangible fixed assets	13	7,070	1,668	7,070	1,668
Total Fixed Assets		7,198	1,796	7,198	1,796
Current Assets					
Stocks	14	-	43	-	-
Debtors	15	1,302	997	1,236	905
Cash Investments		2,726	5,691	2,726	5,691
Cash at bank and in hand		4,562	1,275	4,535	1,195
Total Current Assets		8,590	8,006	8,497	7,791
Creditors - amounts falling due within one year	17	(5,263)	(5,778)	(5,257)	(5,740)
Net Current Assets		3,327	2,228	3,240	2,051
Net Assets		10,525	4,024	10,438	3,847
The Funds of the Charity:					
Restricted Income Funds	18	8,857	1,960	8,857	1,960
Unrestricted Income Funds					
Designated funds	19	1,423	1,604	1,423	1,604
General reserve	19	245	460	158	283
Total Unrestricted Income Funds		1,668	2,064	1,581	1,887
Total Charity Funds		10,525	4,024	10,438	3,847

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 £18,497k (2019: £12,829k) of income and £12,113k (2019: £12,142k) 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 Bhalla OBE

Mr Anthony Howard

Date: 7/12/20

The notes on pages 18 to 36 form part of these financial statements

PERFORMANCES BIRMINGHAM LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
AS AT 31 MARCH 2020

	Notes	2020 £000	2019 £000
<hr/>			
Cash flows from operating activities:			
Net cash provided by operating activities	21	<u>5,848</u>	<u>944</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		51	57
Purchase of property, plant and equipment		<u>(5,577)</u>	<u>(1,130)</u>
Net cash (used in) by investments:		<u>(5,526)</u>	<u>(1,073)</u>
Change in cash and cash equivalents in the reporting period		322	(129)
Cash and cash equivalents at 1 April 2019		<u>6,966</u>	<u>7,095</u>
Cash and cash equivalents at 31 March 2020	22	<u>7,288</u>	<u>6,966</u>

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.

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.

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.

1. Accounting policies - continued

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, Symphony Hall radio system, Symphony Hall production LX

Over six years

Heineken bar

Over seven years

Town Hall lighting, Town Hall PA system

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.

Gift Shop - Due to the COVID-19 pandemic the gift shop has not traded since the year end and a decision has been made to close the shop permanently. In view of the high degree of uncertainty regarding any realisation value of the stock full provision has been made.

Catering - Due to the COVID-19 pandemic the bars have not opened since the year end and majority of the stock has already or will before 31 March 2021 become out of date and will have to be destroyed. In view of this full provision has been made.

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 2020

3. Income from charitable activities

(a) Rental and admissions

	2020	2019
	£000	£000
Rental		
City of Birmingham Symphony Orchestra	330	328
Local music users	234	274
Third party promoters	459	496
Other	9	8
	1,032	1,106
Admissions		
Birmingham Classical	298	340
Promoted and co-promoted events	6,055	6,303
Other	2	4
	6,355	6,647
	7,387	7,753

(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

		2020	2019
		£000	£000
Core grant	(a)	1,354	1,450
Capital project (MaE) grants	(b)	6,270	408
Coronavirus Job Retention Scheme grant	(c)	46	-
Other grants	(d)	564	337
		8,234	2,195

- (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) The charity was awarded grants from Arts Council England and The Local Enterprise Partnership in respect of the capital project (MaE)
- (c) The charity was awarded Coronavirus Job Retention Scheme grant in respect of staff furloughed during the coronavirus pandemic.
- (d) This comprises grants received from several 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 2020

5. Income from other trading activities

	2020	2019
	£000	£000
Catering income	1,421	1,726
Sponsorship income	102	122
Merchandise income	95	103
Rentals	533	612
	2,151	2,563

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

6. Investments

	2020	2019
	£000	£000
Bank interest	51	57

PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. Expenditure

		Staff £000	Direct £000	Support £000	2020 £000
Raising funds	- commercial trading	509	696	83	1,288
	- fund raising	153	-	-	153
Charitable activities	- concert and educational programmes	2,506	6,026	3,372	11,904
	- governance costs	22	-	12	34
Total expenditure		3,190	6,722	3,467	13,379

		Staff £000	Direct £000	Support £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

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

Support 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:

	2020 £000	2019 £000
Auditor's remuneration - audit fees	17	17
- non audit fees	19	14
Operating leases - plant and machinery	5	5
Operating leases - land and buildings	46	46
Depreciation - owned tangible fixed assets	164	146
Amortisation - owned intangible fixed assets	11	4

8. Employee information

The average headcount of core employees was 75 (2019:75) 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

	2020 £000	2019 £000
Wages and salaries	2,921	2,932
Social security costs	199	199
Other pension costs	70	59
	3,190	3,190

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:

	2020 Number	2019 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

	2020 Number	2019 Number
By Activity		
Charitable activities	212	188
Cost of generating funds	81	70
	293	258

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

PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Key Management Personnel

	2020	2019
	£000	£000
Total remuneration (charity and group)	362	328

Key management personnel comprise six employees (2019: five employees) with the sixth member of the team joining on 2 September 2019.

Redundancy and Termination Payments

There was one discretionary termination payment during the year of £18k (2019: nil).

There were no liabilities in respect of redundancy and termination payments at the balance sheet date (2019: nil).

9. Trustees' remuneration

The Chairman of the Trustees received remuneration during the year of £20k (2019: £20k).

The other Trustees of the charity do not receive any remuneration but are reimbursed any expenses for their services. In the year £81 was reimbursed for travel expenses incurred by one trustee (2019: £187 by one Trustee).

There are no retirement benefits paid to Trustees (2019: 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:

	2020 £'000	2019 £'000	2020 £'000	2019 £'000
	Sale of goods and services		Purchase of goods and services	
Birmingham City Council	599	440	863	826

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 2020 was £202K (2019: £33k)

The amount due from Birmingham City Council at 31 March 2020 was nil (2019: nil)

Related party transactions - Trustees and Core Staff

Councillor Alex Aitken is a trustee of PBL. He is an elected member of Birmingham City Council.

Ms Helen Bates is a trustee of PBL and a director of PBEL until 1 August 2019. She is a director of the Greater Birmingham Chambers of Commerce and a board member of St Basil's from June 2019.

Ms Anita Bhalja 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 was an employee of the Greater Birmingham & Solihull Local Enterprise Partnership in the previous financial year.

Mr Paul Faulkner is a trustee of PBL. 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 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.

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.

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Transactions

		Group			
		Trading		Box Office	
		2020	2019	2020	2019
		£000	£000	£000	£000
Received from					
Black Country Living Museum	Owed nil (2019:nil)	1	-	-	-
Browne Jacobson (trade exchange)	Owed nil (2019:nil)	10	10	-	-
Birmingham International Piano Competition	Owed nil (2019:nil)	3	5	-	1
Birmingham REP	Owed nil (2019:nil)	-	1	-	-
Birmingham Women's and Children's Hospital	Owed nil (2019:nil)	-	15	-	-
Greater Birmingham Chamber of Commerce	Owed nil (2019:nil)	-	1	-	-
St Basil's	Owed nil (2019:nil)	1	1	-	-
University of Birmingham	Owed nil (2019:nil)	4	-	5	-
Paid to					
Birmingham REP	Owed nil (2019:nil)	-	1	-	-
Browne Jacobson (trade exchange)	Owed nil (2019:nil)	10	10	-	-
Browne Jacobson (other)	Owed nil (2019:nil)	158	25	-	-
Greater Birmingham Chamber of Commerce	Owed nil (2019:nil)	2	3	-	-
Music Beyond Mainstream	Owed nil (2019:nil)	-	1	-	-
University of Birmingham	Owed nil (2019:nil)	-	2	-	-

During the year PBL received a total of £4,744k (2019: £427k) 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.

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12. Intangible fixed assets - Group and Charity

	Total 2020 £000
Cost:	
At 1 April 2019	132
Additions	11
At 31 March 2020	143
Accumulated depreciation:	
At 1 April 2019	(4)
Provided during year	(11)
At 31 March 2020	(15)
Net book value of assets as at 31 March 2020	128
Net book value of assets as at 31 March 2019	128

Intangible fixed assets comprise software and IT system licences.

13. Tangible fixed assets - Group and Charity

	2020 £000	2020 £000	2020 £000	2020 £000
	Construction Work in progress	SH Organ Project	Other	Total
Cost:				
At 1 April 2019	613	1,294	1,270	3,177
Additions	5,342	-	224	5,566
At 31 March 2020	5,955	1,294	1,494	8,743
Accumulated depreciation:				
At 1 April 2019	-	(937)	(572)	(1,509)
Provided during year	-	(54)	(110)	(164)
At 31 March 2020	-	(991)	(682)	(1,673)
Net book value of assets as at 31 March 2020	5,955	303	812	7,070
Net book value of assets as at 31 March 2019	613	357	698	1,668

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14. Stocks

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Finished goods	-	43	-	-

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.

	2020	2019
	£000	£000
Finished Goods		
Catering	27	26
The Shoo	27	32
Cost of stock	54	58
Slow-moving stock provision	(54)	(15)
	-	43

15. Debtors

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£000	£000	£000	£000
Amounts Falling Due Within One Year				
Trade debtors	216	251	143	109
Other debtors	243	238	243	238
Value Added Tax	365	-	378	66
Prepayments	475	470	469	466
Accrued income	3	38	3	26
	1,302	997	1,236	905

16. Accrued Income

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Accrued income brought forward	38	44	26	43
Released in the year	(38)	(44)	(26)	(43)
Accrued in the year	3	38	3	26
Accrued income carried forward	3	38	3	26

17. Creditors - amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Bank overdraft	37	-	37	-
Trade creditors	725	221	688	170
Amounts owed to group undertakings: PBEL	-	-	239	-
Value Added Tax	-	11	-	-
Taxation and social security	53	57	53	57
Other creditors	1,873	1,934	1,850	1,915
Accruals	687	934	639	902
Deferred income	1,888	2,621	1,751	2,426
	5,263	5,778	5,257	5,740

Deferred Income

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Deferred income brought forward	2,621	2,724	2,426	2,515
Released in the year	(2,595)	(2,691)	(2,400)	(2,488)
Deferred in the year	1,862	2,588	1,725	2,399
Deferred income carried forward	1,888	2,621	1,751	2,426

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.

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18. Restricted income funds

		Balance 1 April 2019 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2020 £000
Organ construction	(1)	357	-	(54)	-	303
Organ maintenance	(2)	152	4	(9)	-	147
Community Spirit (Sing for all)	(3)	19	23	(21)	-	21
Generation Ladywood projects	(4)	132	47	(43)	-	136
Project soundlounge	(5)	15	7	(1)	3	24
Jazzlines projects	(6)	43	142	(138)	-	47
Birmingham classical	(7)	5	2	(7)	-	-
Gift shop capital grant	(8)	40	-	(9)	-	31
Thrive project	(9)	53	-	(27)	-	26
Small education projects	(10)	23	10	(23)	(2)	8
Small non-education projects	(11)	33	46	(21)	(1)	57
Capital campaign	(12)	1,088	6,923	(154)	200	8,057
		1,960	7,204	(507)	200	8,857

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 for 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 for the development of young programmers to produce a festival for young people by young people.
- (6) Funding for several 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 several smaller projects to support the education and community programme.
- (11) Funding for several ad hoc projects.
- (12) Funding for 'Make an Entrance' - the capital project to extend the performance and hospitality space at Symphony Hall.

19. Unrestricted income funds

		Balance				Balance
		1 April	Income	Amounts	Transfers	31 March
		2019		utilised		2020
		£000	£000	£000	£000	£000
Designated Funds						
General education	(1)	26	2	(28)	-	-
Organ education	(2)	39	-	(3)	-	36
Building maintenance reserve	(3)	1,300	-	(4)	-	1,296
Music in Birmingham	(4)	-	55	(11)	-	44
Making an Entrance	(5)	239	5	-	(200)	44
THSH COVID-19 relief	(6)	-	3	-	-	3
		1,604	65	(46)	(200)	1,423
General reserve	(7)	460	12,611	(12,826)	-	245
Total Unrestricted		2,064	12,676	(12,872)	(200)	1,668

These funds represent:

- (1) Funds for support of educational work by the charity.
- (2) Funds 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) Point of sale donations received from customers purchasing tickets
- (5) Funds for 'Make an Entrance' - the capital project to extend the performance and hospitality space at Symphony Hall.
- (6) Funds for supporting activity during the COVID-19 pandemic
- (7) The general reserve represents unrestricted funds

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20. Analysis of total funds

	Unrestricted Funds £000	Restricted Funds £000	2020 £000
Analysis of type of asset and liability			
Intangible fixed assets	128	-	128
Tangible fixed assets	752	6,318	7,070
Current assets	6,051	2,539	8,590
Creditors falling due within the year	(5,263)	-	(5,263)
	1,668	8,857	10,525

	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

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

	2020 £000	2019 £000
Net income for the reporting period	6,501	993
Adjustments for:		
Depreciation and amortisation charges	175	150
Dividends, interest and rents from investments	(51)	(57)
Decrease in stock	43	18
(Increase) in debtors	(305)	(278)
(Decrease) / Increase in creditors	(515)	118
Net cash provided by operating activities	5,848	944

22. Analysis of cash and cash equivalents

	31 March 2020 £000	31 March 2019 £000
Cash at bank and in hand	4,562	1,275
Cash investments	2,726	5,691
	7,288	6,966

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 £70k (2019: £59k). Unpaid pension contributions at the year end totalled £13k (2019: £11k).

24. Operating lease commitments

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

	Plant & Equipment		Land & Buildings	
	2020	2019	2020	2019
	£000	£000	£000	£000
1 year	6	5	46	46
2 to 5 years	23	5	185	185
Over 5 years	-	-	1,201	742

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. A new lease takes effect in reversion to the existing lease on 29 September 2026 under which a rent of £46k is payable annually. Under these new arrangements a lease premium of £150k was paid during this year. The lease premium has been capitalised and is included in additions to "Construction work in progress" shown at note 13 to these accounts.

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. Security

The Arts Council England holds a fixed charge over all assets of the charity, both present and future, dated 13 August 2019.

Birmingham City Council holds a fixed charge over Symphony Hall dated 13 August 2019.

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26. 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 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 2020 is shown below:

	2020	2019
	£000	£000
Income	2,173	2,563
Expenditure	(2,055)	(2,257)
Taxation	(22)	
Operating profit	96	306
Retained profit brought forward	176	220
Gift Aid to PBL	(207)	(350)
Retained profit carried forward	87	176
Assets	345	550
Liabilities	(280)	(374)
Net Assets	65	176

27. Events after the end of the reporting period

The COVID-19 pandemic has impacted on the organisation post year end and a detailed note is included on page 10.

28. Capital commitments

On 13 August 2019 the Trustees contracted for construction costs of £10.2m in respect of the capital project (Making an Entrance), of which £4.2m had been expended by 31 March 2020.

On 14 April 2019 The Local Enterprise Partnership approved funding of £6m in respect of the capital project (Making an Entrance). £5.1m had been received by 31 March 2020 and is included in grants receivable at note 4.

On 15 May 2019 Arts Council England approved funding of £4.5m in respect of the capital project (Making an Entrance). £1.6m had been received by 31 March 2020 and is included in grants receivable at note 4.

29. 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.