

Charity Registration Number 1053937  
Company Registration Number 3169600

**SYMPHONY HALL (BIRMINGHAM) LIMITED**  
**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2004**



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Registered Office:  
Symphony Hall (Birmingham) Limited  
Birmingham B40 1NT

Tel No. 0121 780 4141

## **REPORT OF THE DIRECTORS (INCORPORATING THE TRUSTEES' REPORT)**

### **1. Reports And Financial Statements**

The Directors present their report and the audited financial statements for the year ended 31 March 2004 and confirm that they comply with current statutory requirements, the requirements of the Charity's governing document and the recommendations of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities".

### **2. Principal Activities Of The Charity**

2.1 The Company is Limited by guarantee and registered as a charity ("the Charity"), with The National Exhibition Centre Limited as its sole member. It is governed by a memorandum and articles of association which were last amended on 12 October 1999. On 8 June 2000, The National Exhibition Centre Limited granted the Charity a sub-lease covering Symphony Hall itself, associated foyers and bar areas. The lease is effective from 1 April 1996 and runs for 30 years, with the Charity having an option to extend the lease for a further 10 years.

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

### **3. Other Activities Of The Charity**

The Charity continues to hold the whole of the issued share capital of Symphony Hall (Enterprises) Limited (SHE), namely two £1 ordinary shares, which are nil paid. SHE continues trade principally in the provision of catering services, and in the year has contributed £422,000 (2003: £373,000) to the Charity's result.

The net incoming resources in the year of £44,000 (2003: outgoing resources £79,000) have been transferred to the restricted fund.

### **4. Charitable Objectives**

The Charity's general aims continue to be those that are in fulfilment of its charitable objects as stated within its memorandum and articles. Broadly summarised, these are (a) to promote and present concert *performances of classical, popular, and contemporary music, complementary to those of the City of Birmingham Symphony Orchestra (CBSO), and of world-class calibre*; and (b) to educate the public by promoting, fostering, and encouraging the knowledge, understanding, and appreciation of the arts, particularly music, providing an education programme for this purpose.

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

### **5. Principal Activity and Review of the Year's Achievements**

#### *Overview*

The financial year 2003/04 has been a strong one for Symphony Hall on all fronts. Attractive and imaginative programming, supported by careful financial control, has seen Symphony Hall deliver excellent results across both of what might be called its 'bottom lines': the artistic bottom line, with a host of world-class performances across an ever-widening range of genres; and the financial bottom line, with prudent management of the business and a reduced deficit against budget.

We saw a gratifying increase in audiences for the second year running: 393,000 people attended 356 paid concerts and paid education events at Symphony Hall this year (compared to last year's 358,000), with an average attendance of 1,319 across ticketed concerts (58% of capacity). With 356 events per year, a higher number than planned and a very significant increase on last year's 323, there is no doubt that the Hall is working at full capacity.

Clearly there is no room for expansion of the programme and pressure on the Hall's diary makes it increasingly difficult even to clear time for the necessary annual maintenance. The task for the Hall's management team now must be to continue to build audiences while maximizing artistic and financial value within this very full programme. Pertinent to this, and an eye on the long term, the major strategic development of the year under review has been Symphony Hall's close involvement in discussions regarding the future of Birmingham Town Hall, its capital refurbishment, and its future programme and management.

### *Statistics*

Breaking down the programme, Symphony Hall promoted 41 concerts in its prestigious International Concert Series (one of the highest numbers yet) and hosted 79 concerts and 23 rehearsals by the CBSO, its resident orchestra. The Hall promoted and co-promoted some 113 other concerts (a considerable increase on last year's 92), across a range of light classical, jazz and big-band, pop, country and world music, as well as a small number of stand-up comedy shows.

There were 13 major educational events (large-scale events, as opposed to workshops and projects) as well as a host of smaller activities. There were 15 organ concerts (evening and lunchtime) and 13 Sunday morning coffee concerts, with 22 recording and other sessions.

Part of the Hall's remit is to provide a showcase facility for local organisations, and the Hall was hired by local users for 37 events, including a range of musical events, graduation ceremonies, the Faraday lectures, and charity fundraising concerts.

### *Our core supporters*

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

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

The B. F. Barwell Charitable Trust  
The Edward and Dorothy Cadbury Trust  
The Eveson Charitable Trust  
GNC Trust  
Grantham Yorke Trust  
Limoges Trust  
The Keith and Joan Mindelsohn Charitable Trust  
The Owen Family Trust  
The Harry Payne Trust  
The Steel Charitable Trust  
The W E D Charitable Trust  
The Percy Whitlock Trust  
The Performing Right Society Foundation  
The Peter and Jane How Trust  
The W E D Charitable Trust  
Youth Music

Also vital to our work this year has been the support of our corporate Founder Patrons: IMI plc, Linde Group, Severn Trent, the Lloyds TSB Group plc, Peugeot Motor Company plc, and Harman/Kardon. Several of these companies have been supporters of Symphony Hall since it opened, and their commitment is invaluable.

## 5.2 Review of Activities

### 5.2.1 THE CLASSICAL CONCERT PROGRAMME

Symphony Hall's International Concert Series sits alongside the work of the CBSO, and is complementary to it. The Series remains the flagship of the Hall's own-promoted classical concerts, bringing outstanding international orchestras and soloists to Birmingham. It remains the most substantial series of its kind in the UK, and thanks to the support of Birmingham City Council continues to make a major contribution to cultural life in the West Midlands, maintaining loyal audiences.

The International Concert Series runs from September to July every year. So the financial year includes the end of one series (April to July 2003) and the first part the next, from September 2003 to March 2004.

The close of the 2002-3 Series included appearances by the Hague Philharmonic Orchestra, the Philharmonia under the electrifying Valery Gergiev, two performances by the Orchestra of the Age of Enlightenment with Mark Elder and Sir Simon Rattle, the Dallas Symphony Orchestra (a rare performance of Mahler's monumental Seventh Symphony), and the choir of King's College Cambridge. The Series closed with Welsh National Opera's concert performances of *Don Giovanni* and *Jeptha* - their farewell to Symphony Hall before returning to their natural home in the refurbished Hippodrome Theatre for future seasons. A solo song recital by Bryn Terfel - mixing more serious repertoire with some delightful lighter items, in his inimitable fashion - sold out the Hall.

The 2003/04 International Series opened unusually early, at the end of August, with a remarkable event: a performance of Berlioz's epic *The Trojans* - two operas, in afternoon and evening. The LSO and chorus were joined by leading Berlioz specialist Sir Colin Davis and an outstanding cast that included Ben Heppner and Jonathan Lemalu in their first appearances at the Hall.

In a new development this year, the International Series contained a number distinct strands, each accompanied by a series of supporting pre-concert talks and events. 'The Art of the Piano' included birthday recitals by Peter Donohoe (50<sup>th</sup>) and John Lill (60<sup>th</sup>), as well as performances of the complete Beethoven concertos by the latter with the LPO under Walter Weller. This strand also included an outstanding performance of Haydn and Mozart concertos by the charismatic young pianist Piotr Anderszewski directing the Polish Chamber Orchestra from the keyboard; the first concert in András Schiff's complete Beethoven piano sonata series (which will ultimately span four concert seasons); and solo recitals by other artists, including Grigory Sokolov, Lars Vogt, Kissin (May 2004) and Brendel (June 2004). These concerts were introduced by a 'Discover the Art of the Piano' day, featuring a range of free talks, events and concerts.

In parallel, 'The Art of the Conductor' strand was designed to reflect some of the outstanding conductors appearing this season, in concerts by the Philharmonia (Ashkenazy), the Leipzig Gewandhaus (Herbert Blomstedt), the Dresden Staatskapelle playing Bruckner's Sixth Symphony with Bernard Haitink, the Gothenburg Symphony Orchestra (Neeme Järvi), the Minnesota Orchestra with Osmo Vänskä (soloist Joshua Bell), and the Philharmonia of the Nations conducted by Justus Frantz. We presented two very successful 'Discover the Art of the Conductor' days, the first on the theory of conducting and the second on the practice. The latter included a chance for members of the public to have a guided tour of an orchestral rehearsal and conduct an orchestra on stage at Symphony Hall.

Other particularly notable concerts in the season included Sir Simon Rattle's performance of Brahms' German Requiem with the OAE and a rare performance of Beethoven's Triple Concerto with a 'dream-team' line-up of Anne-Sophie Mutter, Lynn Harrell and André Previn, accompanied by Kurt Masur and the LPO.

A host of other world-class soloists and ensembles have also appeared, including Cecilia Bartoli (selling out a programme of unknown music by Salieri!), Marin Alsop directing the exhilarating National Youth Orchestra of Great Britain, Nikolai Znaider, Jean-Yves Thibaudet, Dame Felicity Lott and Thomas Allen in duet, Willard White, Renée Fleming, Freddy Kempf, Mikhail Pletnev, and Sarah Chang.

A third strand in the International Series was the 'Bach to the Future' organ concerts. Concerts by John Scott (St Paul's Cathedral), Olivier Latry (Notre-Dame de Paris), and Thomas Trotter featured the music of Bach alongside the three major organ works of Liszt and forward-looking music by modern composers. Highlight of the series was Symphony Hall's commission of a major 15-minute work by James MacMillan: *Le tombeau de Georges Rouault* is homage to the eponymous painter, inspired by his clown paintings. The work was

premiered by Thomas Trotter, to considerable critical acclaim, and recorded for the BBC before receiving its first London performance at the Proms.

The Bach to the Future strand also ran through lunchtime organ concerts (not part of the International Series). Five composers were commissioned to produce a series of five short new organ works to be paired with the six Bach Trio Sonatas. The commissioned composers were Judith Bingham, Dominic Muldowney, Gabriel Jackson, Huw Watkins, and Graham Fitkin. The sixth piece was the winning entry in a Symphony Hall Young Composers Competition.

### 5.2.2. THE NON-CLASSICAL CONCERT PROGRAMME

Some people overlook the fact that alongside the International Season, the Hall continues to present an extremely substantial and remarkably varied non-classical programme. To select a few highlights from the 113 events, this year has seen concerts by Gene Pitney, Tony Bennett, the Dave Brubeck Quartet, Van Morrison, Vonda Shepard, Elvis Costello, Joan Baez, and Lulu. In Spring 2004 we presented a remarkable series of concerts by Jamie Cullum, Katie Melua, Ludovico Einaudi, and a second visit to the Hall by Brian Wilson, the creative force behind the Beach Boys. The world music strand has been continued with appearances by Ladysmith Black Mambazo, Tango Pasion, and Portuguese Fado diva Marisa.

In a new development this year, Symphony Hall has started a new programme strand of South Asian classical and light classical concerts, specifically designed to attract significant audiences from Birmingham's large Asian communities. Working in partnership with local organisations like Sampad and Surdhwani, the strategy is to programme outstanding classical and semi-classical artists of comparable quality to those in our western classical concerts. This year's artists have included sitarists Ravi and Anoushka Shankar, renowned ghazals singer Jagit Singh, and the outstanding sarod player Amjad Ali Kahn. The latter appeared in a tribute concert to the legendary sarod player Ustad Vilayat Khan, whose death prevented him appearing at Symphony Hall on that date.

These concerts have complemented the CBSO's Classic Asia series, which has the parallel objective of attracting S. Asian audiences to western orchestral concerts at Symphony Hall. Invaluable to these developments has been the advice of Utkarsha Joshi, hosted by the Hall on a 15-week placement scheme providing a 'fast-track' introduction to the arts for black and minority ethnic managers from other fields.

At the end of the year under review, we launched a series of free Friday-night commuter jazz concerts in the level 3 foyer bar. 'Rush Hour Blues' has been devised with Birmingham Jazz and showcases a range of established and upcoming talent. It is proving successful beyond expectations (and at minimal cost), with a large regular audience. Media coverage has been extremely positive: 'The thinking person's happy hour . . .'; 'What a rip-roaring success . . . it's free and it really is the place to be.'

### 5.2.3 THE WORK OF THE EDUCATION/COMMUNITY DEPARTMENT

Throughout the year, the Education/Community department's *SoundWorks* programme has continued to offer a packed programme of events, including family concerts, primary school concerts, master classes, pre-concert talks for A-level and GCSE music students, school-based workshops and assemblies, teacher INSET days, work experience placements, hall tours, and public tours.

As usual, the Symphony Organ is an important focus for education work, and our activities in this area continue to break new ground. To support this work, an organ education pack has been produced which gives teachers classroom-based suggestions for activities based on the organ, to use before, during, and after tour visits.

April 2003 saw performances from 'Pipe-Up!', our new organ education project for primary school children. The final performance followed a lunchtime organ recital by Thomas Trotter at Symphony Hall, providing a once-in-a-lifetime opportunity for the children to perform their own composition in front of nearly 1,000 people. The project was repeated in December with the final performance at Thomas Trotter's Christmas Carol Concert.

On May bank holiday Monday 2003, an Organ Family Funday featured a variety of free events on the foyers of Symphony Hall. These included a range of demonstrations of organ-related instruments (Chinese Sheng,

harmonium, accordion, hurdy-gurdy, mouth-organ, barrel-organ, chamber organ, etc) and the chance for children to make their own pipes and wind-blown instruments. Centrepiece of the was a family concert in which Thomas Trotter was joined by narrator Jeremy Nicholas in a performance of *Mr Majeika's Magic Organ* (originally commissioned for the organ inaugural concerts in 2001).

In September 2003 we embarked on another first within our organ education programme. In connection with our series of silent movies with improvised organ accompaniment, we organised a film-improvisation master class for local GCSE students hosted by organist Daniel Moulton. The master classes focussed on the forthcoming performance of *Nosferatu* and took students through some of basic techniques composers use when writing for film. The project ended with the 50 or so participants attending the evening concert to hear Nigel Ogden's own improvisation to the film.

The Patrick Musitech Studio is now fully operational as an integral part of the *SoundWorks* programme. Since its official opening in November 2003, the studio has presented groups of primary school teachers with a series of music technology-based projects designed to demonstrate how music technology can support the delivery of the music curriculum in schools. We are currently piloting a programme of sample pupil projects for local Key Stage 1 pupils.

In November 2003, support from Youth Music enabled us to create the post of Access and Disability Co-ordinator at Symphony Hall. The purpose of the two-year post is to design and deliver a programme of events and projects for young people with disabilities. The post will have particular focus on organ education and music technology projects using the Patrick Musitech Studio.

Primary school and family concerts have included a summer 'Blast-Off!' concert - a space-themed pantomime show based around the basic elements of music - and a New Year 'Pan Lid Party' concert, presented in association with Children's Classic Concerts. In October 2003 we presented a half-term family concert, *The Selfish Giant*, with big-screen animation. During the autumn, the focus turned to vocal projects with a day-long singing event for young people. It culminated in a performance of 'Songs of Autumn,' a specially commissioned new choral work for young voices and orchestra. The work describes the autumn in season in different parts of world and features a wide variety of world music instruments.

In February we joined forces with Birmingham City Council to present a world music day aimed at newly arrived children in Birmingham. The event featured a variety of performances from across the globe followed by musical entertainment on the foyers by a band of local minstrels.

### *Exhibitions*

The rolling programme of exhibitions and foyer activities continues, generally on themes that relate to music or to events in the Hall's programme. From April to June 2003 we mounted the 'Let it Rock!' photography exhibition, showing classic images from the golden age of rock'n'roll in the Broad St Gallery. The show charts the progress of rock from its early days to the 1980s with photos drawn from the famous Hulton-Getty Archive. The media partnership of Saga radio greatly increased footfall to the exhibition, which was been widely covered in the media.

The 2003 summer show (July to August) was 'Living Without Borders.' The exhibition is the result of a photography project with young refugees aged 12 - 18 living in London. Many have fled intolerable situations in Afghanistan, Iraq, Angola, Romania, Rwanda, Sierra Leone, Nigeria and Sri Lanka. Alongside the exhibition the Hall presented 'Playing Without Borders,' and evening of performances by local refugee musicians.

In November 2003, as part of Black History Month and alongside the concert by ghazals singer Jagjit Singh, Symphony Hall and Birmingham Libraries photographic department presented the exhibition 'Home and Away - photographs of Britain's South Asian Communities.'

As part of the festivities around the Birmingham Book Festival and National Poetry Day, the Hall showed 'Talking Story' - a very effective 17-panel glasswork and poetry installation in the windows of the level 3 foyer. Alongside this we hosted a National Poetry Day event, featuring the announcement of Birmingham's new poet laureate.

## 6. Results

The results of the Charity for the year are set out in the Consolidated Statement of Financial Activities on page 9.

## 7. Trustees and Directors

The Trustees of the Charity and Directors of the Company at 31 March 2004 and at the date of approval of the balance sheet, all of whom were non Executive Directors, were:

Mr R S Burman	Mr J Moir
Councillor A Coulson	Mr G Jonas
Professor G Caird	Ms C Coker
Professor C R Timms	Mr M Pedelty
Ms A Bhalla	Mr D Hollingsworth
Mr D Scard	
Councillor D C Roy ( resigned 12 <sup>th</sup> June 2003)	
Councillor M Whitby ( appointed 20 <sup>th</sup> November 2003)	

The Board of Trustees of up to 12 members, who meet three times a year, administers the Charity. There are sub-committees covering development, membership and finance. The Director of Symphony Hall, who forms part of the seconded management team, is appointed by the Trustees to manage the day to day operations of the Charity.

The Trustees are nominated by the Board of Directors of Symphony Hall (Birmingham) Limited and are made up of individuals chosen to represent the Hall's stakeholders. They have wide ranging experience in business, music, education, and media and advise on all aspects of the Hall's operation, giving strategic guidance on the future artistic development of the Hall.

## 8. Directors' Responsibilities For The Financial Statements

Company law requires the members of the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its position at the end of the year.

In preparing these financial statements, the Directors confirm that they have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

## 9. Employees

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

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

**10. Professional Advisers**

The Trustees retain a number of professional advisers in connection with the operation of the Charity. The advisers during the year under review have been as follows:

Auditors	PricewaterhouseCoopers LLP
Bankers	National Westminster Bank PLC

**11. Insurance of Directors**

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

**12. Reserves**

The reserves comprise of restricted funds raised from donations and grants used to finance the construction of the Organ. Surplus funds will be applied by the Trustees to further the Charity's objectives. It is the policy of the Charity not to retain a balance on the General Fund.

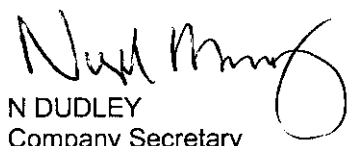
**13. Risk Management**

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

**14. Auditors**

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

BY ORDER OF THE BOARD

  
N DUDLEY  
Company Secretary

Symphony Hall (Birmingham) Limited  
Birmingham B40 1NT

 2004

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

We have audited the financial statements which comprise the statement of financial activities, the balance sheets, the cashflow statement, and the related notes.

### **Respective responsibilities of directors and auditors**

The Trustees are also Directors for Symphony Hall (Birmingham) Limited. Their responsibilities for preparing the annual report and the financial statements in accordance with the applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

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

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


### **Basis of audit opinion**

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

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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable Company and the Group at 31 March 2004 and of its net outgoing resources, including its income and expenditure, and cashflow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

 2004

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2004

	Notes	2004 Restricted Fund £000	2004 General Fund £000	2004 Total Fund £000	2003 Total Fund £000
<b>INCOMING RESOURCES</b>					
<b>Charitable activities</b>					
Rental & admissions	2	-	3,819	3,819	3,495
Other		-	465	465	513
<b>Donations and appeals</b>		194	-	194	55
<b>Grants receivable</b>	3	-	626	626	467
<b>Other activities to generate funds</b>					
Trading income	4	-	933	933	885
<b>Investment income</b>	5	3	62	65	42
<b>Income from NEC Ltd</b>		-	1,504	1,504	1,709
<b>Total Incoming Resources</b>		197	7,409	7,606	7,166
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Trading expenses	4	-	(511)	(511)	(512)
Marketing costs		-	(444)	(444)	(416)
<b>Total costs of generating funds</b>		-	(955)	(955)	(928)
<b>Charitable expenditure</b>					
Cost of activities in furtherance of charity's objectives	6	(99)	(3,414)	(3,513)	(3,297)
Support costs	7	(54)	(2,337)	(2,391)	(2,136)
Management and administration	8	-	(4)	(4)	(4)
Other expenditure			(699)	(699)	(880)
<b>Total charitable expenditure</b>		(153)	(6,454)	(6,607)	(6,317)
<b>Total resources expended</b>		(153)	(7,409)	(7,562)	(7,245)
<b>Net Incoming/(Outgoing) resources</b>		44	-	44	(79)
Fund balances brought forward at 1 April		1,311	-	1,311	1,390
<b>Fund Balances Carried Forward At 31 March</b>		1,355	-	1,355	1,311

The results for the Charity are all in respect of continuing operations.

There are no recognised gains and losses other than as shown above and, therefore, no separate statement of total recognised gains and losses has been presented.

There is no difference between the results from ordinary activities before taxation and the unappropriated surplus at the end of the year stated above, and their historical cost equivalents.

The notes on pages 12 to 18 form part of these financial statements

**BALANCE SHEET**  
at 31 March 2004

	Notes	Group		Charity	
		2004 £000	2003 £000	2004 £000	2003 £000
<b>Fixed Assets</b>					
Tangible fixed assets	11	1,162	1,216	1,162	1,216
<b>Current Assets</b>					
Debtors	12	422	118	422	118
Cash Investments		278	-	278	-
Cash at bank and in hand		5	554	5	554
		<b>705</b>	<b>672</b>	<b>705</b>	<b>672</b>
<b>Creditors - Amounts Falling Due Within One Year</b>	13	<b>(512)</b>	<b>(577)</b>	<b>(512)</b>	<b>(577)</b>
<b>Net Current Assets</b>		<b>193</b>	<b>95</b>	<b>193</b>	<b>95</b>
<b>Net Assets</b>		<b>1,355</b>	<b>1,311</b>	<b>1,355</b>	<b>1,311</b>
Financed by:					
Restricted funds	14	1,355	1,311	1,355	1,311
<b>Accumulated Funds</b>		<b>1,355</b>	<b>1,311</b>	<b>1,355</b>	<b>1,311</b>

Approved by the Board of Trustees on 9 July 2004  
and signed on its behalf by

Trustee

Trustee

The notes on pages 12 to 18 form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT**  
**For The Year Ended 31 March 2004**

	Notes	2004 £000	2003 £000
Net Cash (Outflow)/Inflow From Operating Activities	16a	(336)	43
Returns On Investment And Servicing Of Finance			
Interest received		65	42
Net Cash Inflow From Returns On Investments And Servicing Of Finance		65	42
(Decrease)/Increase In Cash	16b	(271)	85

The notes on pages 12 to 18 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Principal Accounting Policies

#### **Basis of Accounting**

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued by the Charity Commissioners in October 2000 ("SORP"), applicable accounting standards and the Companies Act 1985.

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

#### **Basis of consolidation**

The Group's financial statements include the financial statements of the Charity and its trading subsidiary, Symphony Hall (Enterprises) Limited.

#### **Depreciation**

The cost of the Organ (Note 11) 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).

#### **Related Party Transactions**

The Charity is a wholly owned subsidiary of The National Exhibition Centre Limited.

#### **Incoming Resources**

The Charity's revenue comprises income, excluding value added tax, generated from the organisation and the letting of facilities in respect of the performing musical and non musical events pursuant to the Charity's objective of education of the arts and music, and donations and grants.

Incoming resources also includes donations and grants.

#### **Grants Receivable**

Grants of a revenue nature are credited to the Statement of Financial Activities (SOFA) in the year in which they are received.

## **1. Principal Accounting Policies - continued**

### **Direct Charitable Expenditure**

Expenditure is included on the basis of the accruals concept.

Direct charitable expenditure are direct costs which are incurred from the organisation of, and the letting of, facilities in respect of performing musical and non musical events pursuant to the Charity's objective of education of the arts and music.

It also includes costs incurred in supporting the objects of the Charity. Such costs include a small amount in respect of management and administration which cannot be separately identified, and is merely incidental to the total direct charitable expenditure.

### **Management And Administration**

Expenditure is included on the basis of the accruals concept.

These are indirect costs which are not incurred as a direct result of the organisation of, and the letting of, facilities in respect of performing musical and non musical events.

Such costs include expenditure on the performance of the Charity's statutory obligations, such as audit fee.

### **Support Costs**

Expenditure is included on the basis of the accruals concept.

These are indirect costs which are not incurred as a direct result of the organisation of, and the letting of, facilities in respect of performing musical and non musical events.

Such costs include expenditure incurred to support the delivery of the Charity's objects, such services and facilities management of the Hall.

### **Operating Leases**

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

### **Restricted Funds**

Funds unspent from the Organ Appeal are held in reserve for allocation on activities in pursuit of the Hall's charitable objectives.

## 2. Rental And Admissions Analysis

	2004 £000	2003 £000
Non Classical Events	2,527	2,295
International concert season	776	681
City of Birmingham Symphony Orchestra	240	224
Sunday afternoon, pre-concert and platform performances and other	139	172
Local music users	137	123
	<u>3,819</u>	<u>3,495</u>

## 3. Grants Receivable

	2004 £000	2003 £000
Birmingham City Council	<u>626</u>	<u>467</u>

Revenue funding from Birmingham City Council is paid to the Charity through The National Exhibition Centre Limited and is held in a trustee capacity.

## 4. Net Income From Trading Activities Of Subsidiary

The Charity owns all the issued share capital, consisting of two ordinary shares of £1 which are nil paid, of Symphony Hall (Enterprises) Limited, which performs trading activities associated with the events held in the Hall which are outside the charitable objectives, including the provision of catering services. The subsidiary donates its taxable profits to the Charity each year by gift aid. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2004 £000	2003 £000
Turnover from continuing operations	933	885
Operating costs from continuing operations	(509)	(510)
Profit on continuing operations	424	375
Administration	(2)	(2)
Profit on continuing operations	422	373
Gift Aid to SHB Limited	(422)	(373)
Retained Profit	<u>NIL</u>	<u>NIL</u>

The assets and liabilities of the subsidiary total £422,000. These represent amounts due from and owing to group undertakings in settlement of the annual deed of covenant.

## 5. Investment Income

	2004 £000	2003 £000
Bank Interest	<u>65</u>	<u>42</u>

6. **Cost of activities in furtherance of Charity's objectives**

		2004	2004	2004	2003
		Restricted	General	Total	Total
		Fund	Fund	Fund	Fund
	Note	£000	£000	£000	£000
Artiste fees	9	-	2,809	2,809	2,707
Educational expenditure		-	7	7	-
Other		99	598	697	590
		<u>99</u>	<u>3,414</u>	<u>3,513</u>	<u>3,297</u>

7. **Support costs**

		2004	2004	2004	2003
		Restricted	General	Total	Total
		Fund	Fund	Fund	Fund
	Note	£000	£000	£000	£000
Staff costs	9	-	1,123	1,123	815
Operating leases - hire of other assets		-	13	13	14
Management Fees to NEC Limited		-	1,181	1,181	1,233
Lease of the Symphony Hall		-	20	20	20
Depreciation		54	-	54	54
		<u>54</u>	<u>2,337</u>	<u>2,391</u>	<u>2,136</u>

8. **Management and administration**

	2004	2003
	£000	£000
Audit fee	<u>4</u>	<u>4</u>

9. **Staff Costs**

All employees are employed by The National Exhibition Centre Limited and the costs recharged to the Charity, including the services of the Symphony Hall Director and his management team which have been seconded from The National Exhibition Centre Limited. The average number of employees seconded was 26 (2003: 19).

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

	2004	2003
	£000	£000
Wages and salaries	<u>976</u>	<u>719</u>
Social Security costs	<u>56</u>	<u>34</u>
Other pension costs	<u>91</u>	<u>62</u>
	<u>1,123</u>	<u>815</u>

## 9. Staff Costs - continued

The number of employees whose emoluments, including benefits in kind but not including retirement benefits which are accruing under a defined benefit scheme, amounted to over £50,000 in the year were as follows:

	2004 Number	2003 Number
£50,001 - £60,000	-	1
£60,001 - £100,000	1	-
£100,001 - £110,000	1	1

## 10. Trustees

The Trustees of the Charity do not receive any remuneration, but are reimbursed any expenses for their services. In the year £575 was reimbursed for travel expenses incurred by one trustee (2003: £495 by one trustee).

## 11. Tangible Fixed Assets - Group and Charity

	2004 £000
<b>Symphony Hall Organ Project</b>	
Cost:	
At 1 April 2003	1,294
At 31 March 2004	1,294
Depreciation:	
At 1 April 2003	(78)
Provided during year	(54)
At 31 March 2004	(132)
<b>Net book value of assets as at 31 March 2004</b>	<b>1,162</b>
<b>Net book value of assets as at 31 March 2003</b>	<b>1,216</b>

## 12. Debtors

	Group		Charity	
	2004 £000	2003 £000	2004 £000	2003 £000
<b>Amounts Falling Due Within One Year</b>				
Trading subsidiary Gift Aid	-	-	422	98
Amounts owed by NEC Group	422	98	-	-
Accrued Income	-	20	-	20
	<b>422</b>	<b>118</b>	<b>422</b>	<b>118</b>

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

	Group		Charity	
	2004	2003	2004	2003
	£000	£000	£000	£000
Amounts owed to NEC Group	443	383	443	383
Accruals and deferred income	69	194	69	194
	512	577	512	577

14. **Restricted Funds**

	Balance 1 April 2003 £000	Incoming resources £000	Amounts utilised £000	Balance 31 March 2004 £000
Symphony Hall organ project	1,311	197	(153)	1,355

15. **Operating Lease Annual Commitments**

	Group		Charity	
	2004	2003	2004	2003
	£000	£000	£000	£000
Other leases which expire: over five years	20	20	20	20

## 16. Notes To The Cashflow Statement

### a. Reconciliation Of Net Incoming Resources To Net Cash Inflow From Operating Activities

	2004 £000	2003 £000
Net Incoming/(Outgoing) resources	44	(79)
Investment Income	(65)	(42)
Depreciation	54	54
(Increase)/Decrease in debtors	(304)	24
(Decrease)/Increase in creditors	(65)	86
<b>Net Cash (Outflow)/Inflow</b>	<b>(336)</b>	<b>43</b>

### b. Analysis of changes in net cash resources

	2003 £000	Cashflow £000	2004 £000
Cash at bank and in hand	554	(271)	283

## 17. Ultimate Parent Company

The Directors regard The National Exhibition Centre Limited, a company registered in England and Wales, as the ultimate parent company. According to the register kept by the Charity, The National Exhibition Centre Limited has a 100% interest in the equity capital of Symphony Hall (Birmingham) Limited at 31 March 2003. Copies of the ultimate parent's financial statements may be obtained from The Secretary, The National Exhibition Centre Limited, Birmingham B40 1NT .