Charity Registration Number: 1053937
Company Registration Number: 03169600

PERFORMANCES BIRMINGHAM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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

Tel. No. 0121 200 2000

CONTENTS

Officers and Management

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

Key Management Personnel: Company Trustees	Appointed	Resigned/Retired
Ms Anita Bhalla OBE DL (Chair)	19 August 1996	
Mr Andrew Street CBE (Vice Chairman)	1 October 2009	
Councillor Sir Albert Bore PhD BSc	10 February 2005	28 June 2016
Mr Dennis Scard Hon FTCL	27 September 1996	
Ms Mary Martin MA FCA	27 May 2009	
Mr Vidar Hjardeng MBE BA PG Dip	18 June 2009	
Mr Ian Myatt	18 June 2009	
Mr James Tait	13 January 2014	
Mr Ben Smith	13 January 2014	
Professor Michael Whitby	13 January 2014	
Mr Joel Blake OBE	19 June 2014	
Mr Paul Faulkner	19 June 2014	
Ms Julia Willoughby	19 June 2014	
Councillor Robert Alden	27 November 2014	24 July 2015
Professor Cliff Allan	19 February 2015	
Mr Davinder Bansal	19 February 2015	
Councillor Ewan Mackey	24 July 2015	
Councillor John Clancy	28 June 2016	

Key Management Personnel: Executive Management

Mr Andrew Jowett OBE (CEO) - retired 15 April 2016
Mr Nick Reed (CEO) - appointed 7 December 2015
Mr Nick Loveland (COO)

The Trustees' delegate day-to-day management of the charity to the CEO and COO.

Principal Place of Business and Advisers

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

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

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

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

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

Charity number: 1053937

Company number: 03169600

CHAIR'S REPORT **REGISTERED NUMBER: 03169600**

25 years ago Birmingham began its economic renaissance with the development of the ICC. The jewel in the crown of this development was Symphony Hall. It was clear then as it is as it now that arts, culture and creativity are key components of any successful economic regeneration.

Since our last report Performances Birmingham Limited has seen the appointment of a new Chief Executive: - Nick Reed has succeeded Andrew Jowett who retired after 28 years' service. On behalf of the board and our stakeholders and partners I would like to thank Andrew for his dedication and service to the organisation.

Andrew's achievements over 25 years can be listed in their hundreds, but to mention just a few, he oversaw the building of Symphony Hall and its opening and he was instrumental in developing strong relationships with agents, orchestras and artist management and much respected by those groups. He created an excellent working relationship with the CBSO in particular, and also with other international orchestras. During his time he established the Birmingham International Classical Season as the single largest body of visiting orchestras of any hall in the UK, with appearances from most of the world's leading orchestras including Vienna Philharmonic, Berlin Philharmonic and Chicago Symphony orchestras. Then there was the challenge of working within the NEC group - but Andrew went on to carve a path and identity for Symphony Hall which culminated in the establishment of SH as a charity in 1996 answerable to its own board. This organisation ultimately took on the running of Town Hall in 2007 We hosted the G8 Concert in Symphony Hall in 1998, which politically was very important for not only to Symphony Hall but also for the country.

We are delighted to welcome Nick who joins PBL from the private sector, and will lead the change management process required to secure the artistic and commercial integrity of PBL for the next 25 years. We have already seen changes in staff responsibilities and regretfully some staff losses due to our changing financial circumstances as a result of reduced funding from Birmingham City Council.

Despite the financial challenges the impact of PBL continues to be significant in the city, region and indeed nationally. We continue to play an active role in the cultural leadership of the city and are active partners in initiatives that aim to enhance the cultural lives of people in the region.

Each year we programme over 800 concerts and events and bring the best jazz, folk, world, roots, classical, rock and pop music to over 550,000 people in Birmingham. In addition, we reach 15,000 people through our Education & Community programme. That is roughly 10,577 audience members per week through concerts and roughly 288 people per week through our Education and Community programme.

PBL has presented a rich programme of activity over the past year, both in our performance programme, and in our learning and participation work in our buildings and the wider community. From Sir Simon Rattle conducting Vienna Philharmonic Orchestra's performance of The Dream of Gerontious, to punk icon Henry Rollins discussing his career in music, our programme has never been richer or more diverse. We have welcomed thousands of families to our Christmas production of "We are going on a Bear Hunt" at Town Hall and music fans of all hues to performances ranging from Maria Schneider to Bryan Ferry. We also said goodbye to one of much loved partners as Andris Nelsons performed his farewell concerts with our resident orchestra the CBSO.

Our learning and education programme delivered many wonderful moments during the year. In May our Community Spirit concert brought together over 400 singers from community choirs across the city in a celebration of song. In June our ongoing work in Symphony Hall's local ward of Ladywood culminated in the Generation Ladywood Showcase which featured 250 local schoolchildren performing a new composition by Arun Ghosh as part of our Jazz Electives project. In August our Project Soundlounge young producers network presented its annual showcase at Town Hall, nurturing the skills of the next generation of underground music producers and creatives.

The real reach and impact of our work is however best expressed by those directly involved. In December PBL worked with Bray's School whose pupils all have complex disabilities. The head teacher summed up what this meant: *"It is as rare as hen's teeth for our children with such a high level of disability to get the opportunity to engage with such activities in a magnificent venue such as the Symphony Hall. The number of awe and wonder moments were immeasurable"*

I would like to take this opportunity to thank our supporters, namely Birmingham City Council for their annual grant, ACE for supporting our Jazzlines project and the many trusts and individuals who stand behind us with their friendship and financial support at this challenging time.

My gratitude also goes to the board members who have given us so much of their valuable time and expertise as we restructure the organisation and create a new vision for PBL.

I am delighted to report that PBL is in a very positive place with these accounts reporting a significant surplus with which to start building the financial reserve that will support our success over the coming years. We are confident too that changes made in this year will continue to build a more resilient organisation, and we anticipate a further substantial contribution to reserves at the conclusion of the 2016-17 financial year.

Finally I would like to thank our staff who, despite reduced numbers, keep our organisation vibrant and dynamic. Their tireless dedication and working beyond the call of duty ensures that our audiences are given memorable experiences in both our halls.

Anita Bhalla OBE, Chair, Performances Birmingham Limited

10/11/16

Introduction

The trustees (who are also the trustees of Performances Birmingham Limited for the purposes of company law) are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2016 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 (FRS 102) (effective 1 January 2015) - ('Charities SORP (FRS102)').

Reference and administration information

On 8 June 2000 the National Exhibition Centre Limited ('NEC') granted the charity a sub-lease covering Symphony Hall itself, associated foyers and bar areas. The lease is effective from 1 April 1996 and runs for 30 years, with the charity having an option to extend the lease for a further 10 years. On 30 April 2015, the NEC was sold to a third party, LDC (Managers) Limited ('LDC') - the private equity arm of Lloyds Banking Group. This has changed the nature of lease agreements between PBL and the NEC. From the date of the sale, there is now in place a lease between Birmingham City Council and LDC. A separate sub-lease will then be set up between Birmingham City Council and PBL to ensure the protection of existing arrangements and service charge. A separate service agreement has then also been agreed between PBL and LDC for those services not covered in the service charge.

On 9 February 2007 the charity entered into a Tenancy at Will for the Town Hall in Birmingham, with Birmingham City Council. A 99 year lease with Birmingham City Council for the Town Hall 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 Chief Executive Officer. The Chief Executive Officer is accountable to the Board of Trustees and is responsible for the efficient running of both Town Hall and Symphony Hall with the help of his staff. The Director, Town Hall & Symphony Hall is responsible for the implementation of policies and strategies on behalf of the Trustees.

Sub-group and Committees

Finance & General Purposes Sub-Group
Nominations Committee
Health & Safety Committee

Trustee Constitutional Provisions

All Trustees serve a maximum term of three years and then retire from their position. Trustees are entitled to be re-appointed for a further three year term.

Structure, Governance and Management

Organisational structure

The company is Limited by Guarantee, with Birmingham City Council as its sole member and is considered as the controlling party by the Directors. PBL is governed by a memorandum and articles of association that were last amended on 15 August 2011.

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

The charity continues to hold the whole of the issued share capital of Performances Birmingham (Enterprises) Limited ('PBEL'). PBEL is registered with Companies House for England and Wales under number 03146280. PBEL is governed by its memorandum and articles of association adopted on 5 January 1996.

Governance

The governing body of PBL is the Board of Trustees. The Board consists of 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.

Trustee Induction & 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.

Trustees take an active role in defining the basic principles in how PBL works, particularly in respect of how staff are employed. In 2016 PBL concluded an exhaustive Terms, Conditions, Pay and Benefits review which addressed an accumulation of anomalies in how staff had been employed over the years. PBL now has a rigorous methodology for how it employs staff, based on objective job evaluation (using tools provided by Croners) and benchmarked against the charitable sector in which PBL operates. The executive has delegated authority to act within framework and only decisions which fall out of these terms of reference would require board approval.

Objectives and Activities

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

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

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

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

Achievements & Performance

PBL enriches lives and inspires excellence through its commitment to excellence, diversity, audience engagement and creativity across a range of cultural experiences in Birmingham.

During the 12 months of this report, over 560,000 patrons attended a total of 757 events promoted by PBL across Town Hall, Symphony Hall and venues throughout the city. Symphony Hall welcomed over 378,000 people to 410 events including free foyer, education and commercial events; Town Hall held 299 events welcoming 98,000 people including education and commercial events.

In Town Hall and Symphony Hall PBL manages two of the most iconic concert halls in the world, and recent debate about a new concert hall for London has highlighted that there is currently no hall in the UK to surpass Symphony Hall for acoustic or audience experience. The presence and continued success of the hall in the city is emblematic of Birmingham's renaissance and a key driver for inward investment. The appointment by the CBSO of Mirga Grazinyta Tyla as Music Director heralds further creative renewal and the endorsement of this rising musical star again brings confidence and pride to the city.

While the financial and artistic success of our programme remains crucial to that of the entire organisation, we continue to develop both our programme and our audiences to ensure that we continue to attract the broadest possible cross-section of Birmingham's demographic to our halls. Our programme continues to balance high calibre artists and performers from all over the world with local and national artists, often working in partnership or collaboratively to provide the best possible experience for both artists and audiences. The combined classical programmes of PBL and CBSO continue Birmingham's pre-eminence as the major UK musical centre outside London. Jazz through PBL's sub-brand, Jazzlines, continues to go from strength to strength and comprises an ever more intrinsic part of the programme, with the long-standing free foyer series complementing main-hall concerts as well as at venues and festivals throughout Birmingham and nationally. The programme of folk, world and roots music continues to be proactively curated by our team through careful selection and pursuit of individual artists, the intention being to present a programme of high artistic quality that is balanced, diverse, and develops a sustained audience across both halls.

The 2015-16 Birmingham International Concert Season attracted an audience of over 25,000 to a rich programme of classical music which included international stars alongside emerging home grown talent. Through accessible pricing and subscription discounts PBL was able to make this season of music as accessible as possible to a wide demographic. Performances ranged in scale from Sir Simon Rattle conducting the Vienna Philharmonic at Symphony Hall to an intimate recital in the round from Igor Levitt at Town Hall.

The commercial programme across PBL's two venues has again boasted frequent sell out performances spanning rising YouTube stars to artists with 50 year careers such as Brian Wilson. The audience base across this musical spectrum is incredibly broad squarely meeting PBL's aspiration that its hall should be for everyone and everything. Added to that, the halls are regularly utilised by local and regional businesses for dinners, conferences, product launches and other commercial hires.

For PBL to be a focus of regional aspiration remains a vital part of our remit, engaging with local schools and communities via our education and community programme, developing emerging talent both on and off the stage through Jazzlines and Project SoundLounge as well as enabling community groups and local hirers to hold all kinds of special events within our halls. PBL aspires for as many people as possible to feel pride and ownership in our halls, irrespective of whether they have attended an 'arts' event, or not: perhaps they graduated here; their children performed here or participated in our education programme; maybe they attended a community event here; or perhaps they saw either venue on the news, and shared a sense of pride in what Birmingham can offer.

PBLs educational programme has continued to thrive during the past year. Established events such as Community Spirit and the Generation Ladywood Showcase attracted record audiences but these projects shone in the deep engagement they generated with the participants. These events simply culminate at Symphony Hall but are as rich in the work that leads up to them, work in schools, community groups and amongst many hard to reach or underrepresented groups such as the homeless or those with learning difficulties. These landmark events were supported by a year round programme of Musical Picnics, tours, foyer concerts and other participatory activities.

Symphony Hall's 25th Birthday was celebrated in the spring with a season of concerts book ended by two major events. In May the CBSO reprised their opening concert of 25 years ago with a performance of Stravinsky's Firebird but conducted by 25 year old Jamie Phillips and featuring a new composition by 25 year old Ryan Latimer. Tickets for this concert were free for Under 25s, bringing a whole new audience to the Hall, and many to classical music for the first time. At the other end of the birthday season in June, Symphony Hall threw open its doors for a free family day featuring sound workshops, tours, creative play and ad hoc musical performances in unusual parts of the building.

Supporting PBL

PBL manages two of the finest concert halls in the world, and in doing so creates a centre for cultural excellence in the city and the region. Whilst the organisation has always been extremely grateful to Birmingham City Council for its core grant funding, it also undertakes a variety of fundraising activities to support and extend both its arts and cultural programme and education and community work.

To sustain and develop its cultural offering, PBL raises funds from three main areas - corporate partnerships; individuals, including the Friends and Membership scheme; and trusts, foundations and statutory bodies. Each year PBL seeks to continually diversify to develop additional sources of voluntary income to ensure the charity can sustain and develop its work. PBL is extremely grateful to all its supporters and would like to thank them for their generous contributions to its charitable work.

PBL's fundraising team produced excellent results for the 2015-16 year raising £873k against a target of £691k, with all strands of fundraising exceeding target. Core staff and operational costs for the development team were approximately £200k for the year showing a high rate of return on this activity.

Particular thanks are given to Birmingham City Council, Heritage Lottery Fund, 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 14.

Overall there were a total of 512 ticketed events across Town Hall (234) and Symphony Hall (278) in 2015/16, which compares to a total of 525 in 2014/15 across Town Hall (252) and Symphony Hall (273).

The core grant from Birmingham City Council amounted to £1,985k (2015: £1,985k) and enables the charity to fulfil its current charitable purposes.

Expenditure in the year totalled £13,088k (2014: £12,363k). 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 25 to the consolidated financial statements.

PBEL continues to trade in the provision of food and beverage, commercial hires and gift shop, and in the year have contributed £334k in Gift Aid (2015: £915k) to the charity's results after PBL management fees and service charges of £552k (2015:Nil) and £55k (2015:Nil) PBL hall hire.

Principal funding sources

The principal funding source for the charity is rental and admission income, contributing 55% (2015:54%) of the total income. The grant received from Birmingham City Council constituted 15% (2015:16%) of total funds this year.

Related parties

The related parties during the year were Birmingham City Council and the NEC. Birmingham City Council is the sole member of PBL. The NEC is also under the control of Birmingham City Council and is landlord to Symphony Hall.

Investment policy and performance

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

The charity's investments are also held as a means of earning revenue on designated and restricted funds until they are required. The yield in the year was 1% (2015: 1%) and the investments had an average maturity of 250 (2015: 261) days as at 31 March 2016.

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 historical pay practises were based on NEC recommendations. A major review took place during 2014 in order to revaluate pay and benefits, terms and conditions. The conclusion of this review was ratified by the Trustees on 31 March 2015 and implemented from the start of the financial year under review.

The new 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 General Purposes 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 is currently £1,302k with £518k (2015: £1,200k with £572k) of this balance representing donations which were used to purchase the Symphony Hall organ and, as such, do not represent a 'cash' item. A further £122k (2015: £122k) 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 facilities refurbishment.

Unrestricted Fund

The Unrestricted Fund relates to carrying out the charity's general objectives. The Directors reviewed the reserves policy 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. Given that the economic outlook continues to be depressed, Last year the Directors have agreed they need to start to build a level of undesignated general reserves to give the organisation the ability to be able to deal with unexpected events or to exploit new opportunities. In pursuit of that policy, the Unrestricted Funds 'General Reserve' has £159k of reserves generated in this financial year.

The Directors will work towards building a maximum general undesignated reserve of £1,000k which is roughly equivalent to one month's running costs. They will also continue to designate unrestricted funds to maintenance funds for both Town Hall and Symphony Hall based on the long term maintenance budgets.

The charity's other Unrestricted Funds categorised as being 'Designated' are in surplus to the value of £759k (2015: £666k), including £602k for future building maintenance commitments for Town Hall and £16K for Symphony Hall.

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.

Principal business and financial risks and uncertainties

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

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

Risk management

The trustees have a risk management strategy which comprises:

- an annual 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.

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; Continue to work with partner organisations to see if we can help support them in difficult economic circumstances; Expand existing and develop new funding streams and increase 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.

The city centre Metro and Paradise redevelopment is a current risk to income due to complaints from patrons and concerns of noise and disruption. This is being mitigated through communication with potential and existing clients, and maintaining conducive relationships with developers and local police.

Recent changes of NEC ownership in 2015 by Lloyds Development Capital is a cause for concern as it has resulted in shifting priorities. PBL senior management maintain an ongoing dialogue with key NEC senior staff to ensure PBL operational requirements are supported. Work streams to separate IT, utilities and post room from NEC functions are progressing.

Auto enrolment of all relevant casual staff in a workplace pensions is noted as a risk at the balance sheet date. PBL are working with payroll providers (Mazars) and aim to be fully compliant with pension legislation for casual staff by the end of September 2016.

Breach of HR policy was noted as a risk at the balance sheet date, in particular the possibility of grievances, tribunal claims and the ensuing bad publicity. This risk has been reduced at the reporting date through the recruitment of a permanent HR function, and HR policies rolled out in all departments with appropriate training for staff.

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.

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 2016 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 £1.1k and the cover £500k (2015: £1.2k cost and £500k cover).

Public Benefit

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

Plans for future periods

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

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

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

Funding - Review.

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

Arts Council England supports the Jazzlines programme each year, however inevitably the same pressures will be put on these monies in the coming months.

PBL, like all other Birmingham arts organisations, is therefore looking at a variety of ways of 'closing the gap' - increasing income and reducing costs in order that the programme offer to the people of Birmingham and beyond is not compromised. The senior management team has drawn up a long list of activities which can hopefully achieve this. Amongst these tasks is the need to explore further potential for more support from trusts and foundations.

The whole organisation is aware of the need to find the funds and a wide range of initiatives have already engaged individuals at all levels throughout PBL.

Stabilising the organisation and eliminating the accumulated deficit over the next two to three years are the most critical issues that the organisation has to face and it is the Trustees key priority. However, PBL will continue to develop its programme so that it can attract and diversify its audiences.

Forthcoming major projects

Strategic review

Faced with significant funding challenges, the organisation is now focusing on all elements of its commercial operation with a view to increasing income in all areas.

Decentralisation of services from NEC

Following the sale of the NEC and the creation of a less binding payment regime, the opportunity now exists to source alternate IT providers for extra value or at less cost. This will give PBL more control over all elements of its IT infrastructure moving forward.

Culture Central

The charity continues to actively participate in Culture Central (formerly known as Birmingham Arts Partnership). This is a group of creative organisations seeking to strengthen every aspect of the city of Birmingham by maximising the benefits of culture. It believes that Birmingham can complement its manufacturing wealth with sustainable future growth through becoming a creative and knowledge hub, and that culture is the catalyst for this development.

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 (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 10 November 2016 and signed on their behalf by:

10/11/16

Anita Bhalla OBE
Chair

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

We have audited the consolidated financial statements of Performances Birmingham Limited for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees (who are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006
In our opinion the information given in the Trustees' Report, which incorporates the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

Date: 25 November 2016

PERFORMANCES BIRMINGHAM LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 Restricted Fund £000	2016 Unrestricted Fund £000	2016 Total Fund £000	2015 Restricted Fund £000	2015 Unrestricted Fund £000	2015 Total Fund £000
Income from:							
Donations and legacies	2	42	101	143	74	52	126
Charitable activities:							
Rental & admissions	3a	-	7,416	7,416	-	6,664	6,664
Grants receivable	4	622	1,985	2,607	558	1,994	2,552
Other charitable activities	3b	-	999	999	-	1,006	1,006
Other trading activities	5	-	2,256	2,256	-	2,045	2,045
Investments	6	-	21	21	1	33	34
Total		664	12,778	13,442	633	11,794	12,427
Expenditure on:							
Raising funds	7	-	(1,400)	(1,400)	-	(1,199)	(1,199)
Charitable activities	7	(548)	(11,140)	(11,688)	(501)	(10,663)	(11,164)
Total		(548)	(12,540)	(13,088)	(501)	(11,862)	(12,363)
Net income / (expenditure) for the year		116	238	354	132	(68)	64
Transfers between funds	19/20	(14)	14	-	-	-	-
Net movement in funds		102	252	354	132	(68)	64
Fund balances brought forward at 1 April 2015		1,200	666	1,866	1,068	734	1,802
Fund balances carried forward at 31 March 2016		1,302	918	2,220	1,200	666	1,866

There is no material difference between the net movement in funds for the financial year stated above and its historical costs equivalent.

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

The notes on pages 17 to 34 form part of these financial statements

PERFORMANCES BIRMINGHAM LIMITED
GROUP AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2016

	Note	Group 2016 £000	Group 2015 £000	Charity 2016 £000	Charity 2015 £000
Fixed Assets					
Tangible assets	13	842	947	806	796
Total Fixed Assets		842	947	806	796
Current Assets					
Stocks	14	67	66	-	-
Debtors	15	805	554	1,350	1,077
Cash Investments		1,500	1,500	1,500	1,500
Cash at bank and in hand		3,361	3,418	2,379	2,632
Total Current Assets		5,733	5,538	5,229	5,209
Creditors - amounts falling due within one year	17	(4,355)	(4,545)	(3,815)	(4,139)
Net Current Assets		1,378	993	1,414	1,070
Total Assets less Current Liabilities		2,220	1,940	2,220	1,866
Creditors - amounts falling due after more than one year	18	-	(74)	-	-
Net Assets		2,220	1,866	2,220	1,866
The Funds of the Charity:					
Restricted Income Funds	19	1,302	1,200	1,302	1,200
Unrestricted Income Funds					
Designated funds	20	759	666	759	666
General reserve	20	159	-	159	-
Total Unrestricted Income Funds		918	666	918	666
Total Charity Funds		2,220	1,866	2,220	1,866

These financial statements were approved and authorised for issue on 10 November 2016 by the Trustees and signed on their behalf by

Ms Anita Bhalla OBE

Mr Dennis Scard D L Scard

The notes on pages 17 to 34 form part of these financial statements

PERFORMANCES BIRMINGHAM LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016	2015
		£000	£000
Cash flows from operating activities:			
Net cash (used in) / provided by operating activities	22	(50)	1,459
Cash flows from investing activities:			
Dividends, interest and rents from investments		21	34
Purchase of property, plant and equipment		(28)	(14)
Net cash (used in)/ provided by investments:		(7)	20
Change in cash and cash equivalents in the reporting period		(57)	1,479
Cash and cash equivalents at 1 April 2015		4,918	3,439
Cash and cash equivalents at 31 March 2016	23	4,861	4,918

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 (FRS102) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The transition to these Financial Reporting Standards took place on 1st April 2014.

There were no material changes as a result of the transition to the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) - (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

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

PBL are actively participating in the next steps arising from the Birmingham Cultural Investment Enquiry, which is tasked with developing new investment models for cultural business in the City.

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. 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.

1. Accounting policies - continued

Investments

Cash and cash equivalents are stated at cost.

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.

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 9).

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:

Box office system - five years
Website - three years
Staff rota system - five years
Symphony Hall lighting - twenty years
Town Hall projectors - five years
Symphony Hall bars equipment - five years
Gift shop build - ten years
Gift shop fixtures and fittings - five years
Heineken bar - six years

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.

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 is treated as restricted income unless either in 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.

3. Income from charitable activities

(a) Rental and admissions

	2016 £000	2015 £000
Rental		
City of Birmingham Symphony Orchestra	**296**	336
Local music users	**316**	253
Third party promoters	**68**	120
Other	**33**	30
	713	739
Admissions		
International concert season	**577**	456
Promoted and co-promoted events	**6,066**	5,400
Sunday afternoon, pre-concert and platform performances and other	**60**	69
	6,703	5,925
	7,416	6,664

(b) Other charitable activities

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

4. Grants receivable

		2016 £000	2015 £000
Core grant	(a)	**1,985**	1,985
Grants from beneficiaries	(b)	**622**	567
		2,607	2,552

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

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

5. Income from other trading activities

	2016	2015
	£000	£000
Catering income	1,316	1,215
Sponsorship income	149	106
Merchandise income	133	120
Rentals	658	604
	2,256	2,045

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

6. Investments

	2016	2015
	£000	£000
Bank interest	21	34

7. Expenditure

		Staff	Direct	Other	2016	2015
		£000	£000	£000	£000	£000
Raising funds		537	863	-	1,400	1,199
Charitable activities	- concert and educational programmes	2,323	5,950	3,370	11,643	11,121
	- governance costs	20	-	25	45	43
Total expenditure		2,880	6,813	3,395	13,088	12,363

The expenditure on raising funds relates to the direct costs incurred by the trading subsidiary together with the cost of staff involved in generating income from donations.

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

Other costs include various support and management services provided by the NEC which includes combined venue service charges and support costs of £1,083k (2015: £1,082k) (see note 8 for further information on support costs).

The above costs include:

	2016	2015
	£000	£000
Auditor's remuneration - audit fees	16	19
- non audit fees	12	5
Operating leases - plant and machinery	11	10
Operating leases - land and buildings	46	46
Depreciation - owned tangible fixed assets	133	130
Venue service charge	1,030	1,082

The depreciation charge of £133k (2015: £130k) includes £26k (2015: £37k) relating to the subsidiary company.

8. Support costs

The NEC provides support services which in the year cost £53k (2015: £51k) which comprise information technology for the full year and payroll services until 30 September 2015.

9. Employee information

The average headcount of core employees was 72 (2015: 69) 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

	2016 £000	2015 £000
Wages and salaries	2,614	2,467
Social security costs	188	182
Other pension costs	57	77
Other employment costs	21	114
	2,880	2,840

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. The status of the NEC Limited defined benefit pension scheme is disclosed in the financial statements of The National Exhibition Centre Limited. The company is unable to identify its share of the underlying assets and liabilities in the scheme for the year 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. The cost of contributions into defined contribution schemes operated by the NEC was £54k (2015: £68K). On 31 March 2016 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:

	2016 Number	2015 Number
£70,001 - £80,000	1	-
£170,001 - £180,000	-	1
£200,001 - £210,000	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

	2016 Number	2015 Number
By Activity		
Charitable activities	213	177
Cost of generating funds	81	86
	294	263

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

Key Management Personnel

	2016	2015
	£000	£000
Total remuneration (charity and group)	333	257

Redundancy and Termination Payments

	2016	2015	2016	2015
	£000	£000	Number	Number
Voluntary redundancy	0	18	0	2
Compulsory redundancy	2	96	1	9
	2	114	1	11

There were no liabilities in respect of redundancy and termination payments at the balance sheet date.

10. Trustees' remuneration

The Chairman of the Trustees received remuneration during the year of £17k (2015: £19k).

The other Trustees of the charity do not receive any remuneration, but are reimbursed any expenses for their services. In the year £2.6k was reimbursed for travel expenses incurred by three trustees (2015: £3.2k by five Trustees).

There are no retirement benefits paid to Trustees (2015: nil).

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

11. Related party transactions

The related parties during the year were Birmingham City Council and the NEC. Birmingham City Council is the sole member of PBL. The NEC is also under the control of Birmingham City Council and is landlord to Symphony Hall. During the year the charity undertook the following transactions with Birmingham City Council and the NEC:

	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
	Sale of goods and services		Purchase of goods and services	
Birmingham City Council	553	613	681	132
National Exhibition Centre Limited	9	65	669	1,439

The purchase of goods and services includes the lease of Symphony Hall, venue services charges and central support costs.

The amounts outstanding as at 31 March 2016 and 31 March 2015 are shown in notes 15 and 17.

Related party transactions - Trustees and Core Staff

Councillor Robert Alden was a Trustee of PBL. He is an elected member of Birmingham City Council, see disclosure note 11 in respect of Birmingham City Council transactions. He resigned 24th July 2015.

Professor Cliff Allan is a Trustee of PBL. He is patron of the Greater Birmingham Chamber of Commerce and a board member of Marketing Birmingham Limited.

Ms Anita Bhalla is a Trustee and Chair of PBL. She is a Trustee of the Sainsbury Trust and she was the chair of the Midlands Arts Centre (MAC) until September 2014.

Councillor Sir Albert Bore was a Trustee of PBL. He is a director of Birmingham Airport Holdings Limited and Marketing Birmingham Limited. Sir Albert was an elected member of Birmingham City Council and was a Director of the NEC until March 2015. He retired from the Birmingham City Council and as a PBL Trustee on 28th June. See disclosure note 9 in respect of both Birmingham City Council and NEC transactions. Councillor John Clancy was appointed to the PBL Board to succeed Councillor Sir Albert Bore. He is a Director of Marketing Birmingham Limited and Birmingham Airport Holdings Limited.

Mr Paul Faulkner is a Trustee of PBL and the Chief Executive of the Greater Birmingham Chamber of Commerce.

Mr Vidar Hjardeng is a Trustee of PBL and he is a consultant for ITV News.

Mr Andrew Jowett was Chief Executive of PBL until 15th April 2016. He is a governor of Birmingham City University (BCU), and was a Trustee of the British Association of Concert Halls (BACH), a Director of the Association of British Orchestras, and was a Director of the UK Theatre association.

Councillor Ewan Mackey was appointed a Trustee of PBL on 14 July 2015 and is an elected member of Birmingham City Council.

Ms Mary Martin is a Trustee of PBL and a Director of PBEL. She is a trustee and Vice Chair of MAC.

Mr Ian Myatt is a Trustee of PBL. He is an employee of the University of Birmingham and an ex-employee of the BBC.

Mr Andrew Street is a Trustee of PBL and director of John Lewis plc.

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

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

Transactions

		PBL		PBEL	
		2016	2015	2016	2015
		£000	£000	£000	£000
Received from					
Association of British Orchestras	Owed nil (2015:nil)	-	-	13	1
Birmingham Airport Holdings Limited	Owed nil (2015:£6k)	-	5	1	-
BBC	Owed nil (2015:nil)	1	11	-	-
Birmingham City University	Owed £18k (2015:nil)	-	-	163	167
Birmingham REP	Owed nil (2015:nil	-	-	-	-
Browne Jacobson (trade exchange)	Owed nil (2015:nil	-	-	10	-
Greater Birmingham Chamber of Commerce	Owed nil (2015:£5k)	-	-	1	4
ITN	Owed nil (2015:£1k)	-	-	-	1
John Lewis plc (benefits in kind)	Owed nil (2015:nil)	-	6	-	-
Marketing Birmingham Limited	Owed £6k (2015:nil)	-	-	5	6
Midlands Arts Centre	Owed nil (2015:nil)	-	2	-	-
Saintbury Trust	Owed nil (2015:nil)	13	6	-	-
UK Theatre Association	Owed nil (2015:nil)	-	-	-	-
University of Birmingham	Owed nil (2015:nil)	7	7	-	-
Paid to					
Association of British Orchestras	Owed nil (2015:nil)	1	1	-	-
Birmingham Airport Holdings Limited	Owed nil (2015:nil)	-	-	-	-
BBC	Owed nil (2015:nil)	-	1	-	-
Birmingham City University	Owed nil (2015:£1k)	6	16	-	-
Birmingham REP	Owed nil (2015:nil)	2	5	-	-
Browne Jacobson (trade exchange)	Owed nil (2015:nil)	-	-	10	-
Greater Birmingham Chamber of Commerce	Owed nil (2015:nil)	-	-	-	-
ITN	Owed nil (2015:nil)	-	-	-	-
John Lewis plc	Owed nil (2015:nil)	-	-	-	-
Marketing Birmingham Limited	Owed nil (2015:nil)	4	-	6	5
Midlands Arts Centre	Owed nil (2015:nil)	4	2	-	-
Saintbury Trust	Owed nil (2015:nil)	-	-	-	-
UK Theatre Association	Owed nil (2015:nil)	-	2	-	-
University of Birmingham	Owed nil (2015:nil)	-	-	-	-

12. 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.

13. Tangible assets - Charity

	SH Organ Project 2016 £000	SH Other 2016 £000	Charity 2016 £000
Cost:			
At 1 April 2015	1,294	288	1,582
Transferred from Trading Company	-	104	104
Additions	-	28	28
At 31 March 2016	1,294	420	1,714
Accumulated depreciation:			
At 1 April 2015	(722)	(64)	(786)
Transferred from Trading Company	-	(15)	(15)
Provided during year	(54)	(53)	(107)
At 31 March 2016	(776)	(132)	(908)
Net book value of assets as at 31 March 2016	518	288	806
Net book value of assets as at 31 March 2015	572	224	796

Tangible assets - Group

	Charity 2016 £000	SH Bars Equipment 2016 £000	SH Gift Shop 2016 £000	Group 2016 £000
Cost:				
At 1 April 2015	1,582	116	160	1,858
Transferred from/(to) Trading Company	104	-	(104)	-
Additions	28	-	-	28
At 31 March 2016	1,714	116	56	1,886
Accumulated depreciation:				
At 1 April 2015	(786)	(94)	(31)	(911)
Transferred from/(to) Trading Company	(15)	-	15	-
Provided during year	(107)	(15)	(11)	(133)
At 31 March 2016	(908)	(109)	(27)	(1,044)
Net book value of assets as at 31 March 2016	806	7	29	842
Net book value of assets as at 31 March 2015	796	22	129	947

14. Stocks

	Group		Charity	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Finished goods	**67**	66	**-**	-

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.

	2016	2015
	£000	£000
Finished Goods		
TH Catering	**9**	10
SH Catering	**15**	16
The Shop	**43**	40
	67	66

Stock recognised in cost of sales during the year as an expense was £353K (2015: £339K).

15. Debtors

	Group		Charity	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Amounts Falling Due Within One Year				
Trade debtors	**275**	214	**178**	97
Amounts owed by group undertakings: PBEL	**-**	-	**654**	608
Amounts owed by related parties: Birmingham City Council	**-**	14	**-**	14
Value Added Tax	**47**	8	**69**	59
Other debtors	**46**	44	**46**	44
Prepayments	**387**	211	**381**	202
Accrued income	**50**	63	**22**	53
	805	554	**1,350**	1,077

16. Accrued Income

	Group	Charity
	2016	2016
	£000	£000
Accrued income brought forward	63	53
Released in the year	(63)	(53)
Accrued in the year	50	22
Accrued income carried forward	50	22

17. Creditors - amounts falling due within one year

	Group		Charity	
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade creditors	137	410	16	370
Amounts owed to related parties: NEC Group	54	243	54	226
Amounts owed to related parties: Birmingham City Council	33	-	33	-
Taxation and social security	52	55	52	52
Other creditors	1,080	1,156	892	1,050
Accruals	792	479	701	449
Deferred income	2,207	2,202	2,067	1,992
	4,355	4,545	3,815	4,139

Deferred Income

	Group	Charity
	2016	2016
	£000	£000
Deferred income brought forward	2,202	1,992
Released in the year	(2,104)	(1,901)
Deferred in the year	2,109	1,976
Deferred income carried forward	2,207	2,067

18. Creditors - amounts falling due after more than one year

	Group 2016 £000	Group 2015 £000	Charity 2016 £000	Charity 2015 £000
Capital Grants				
1 - 2 years	-	17	-	-
2 - 5 years	-	26	-	-
Over 5 years	-	31	-	-
	-	74	-	-

The capital grant has been transferred from the trading subsidiary to the charity together with the associated asset as noted in note 13. The amount has been included in restricted income funds within the charity. See note 19.

19. Restricted income funds

		Balance 1 April 2015 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2016 £000
Organ construction	(1)	572	-	(54)	-	518
Organ maintenance	(2)	122	-	-	-	122
Sing for all	(3)	10	8	(8)	(1)	9
Generation Ladywood projects	(4)	278	76	(64)	1	291
Project soundlounge	(5)	25	11	(6)	-	30
Jazzlines projects	(6)	117	184	(166)	1	136
Symphony Hall 25th anniversary	(7)	-	25	-	-	25
The Blackwell Trust	(8)	-	150	(150)	-	-
Gift shop capital grant	(9)	-	74	(8)	-	66
Small education projects	(10)	23	16	(19)	(1)	19
Small non-education projects	(11)	53	120	(73)	(14)	86
		1,200	664	(548)	(14)	1,302

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 the Organ appeal which will be used to maintain and refurbish the instrument.
(3) Funds held to sustain the vocal education work of the charity with children and young people.
(4) Funds received for the purpose of completing projects within the Ladywood community.
(5) Funds received to develop young programmers to produce a festival for young people by young people.
(6) Funding for a number of Jazzlines projects over the next five years, including the Jazzlines programme funded by the Arts Council England.
(7) Funding for a day of events to celebrate the 25th anniversary of the opening of Symphony Hall.
(8) Funding for Birmingham International concert Season programme during 2015-16.
(9) Funding for the refurbishment of the gift shop.
(10) Funding for a number of smaller projects to support the education and community programme.
(11) Funds held for a number of ad hoc projects including the enhancement of facilities available to patrons.

20. Unrestricted income funds

		Balance 1 April 2015 £000	Income £000	Amounts utilised £000	Transfers £000	**Balance 31 March 2016 £000**
Designated Funds						
General education	(1)	-	5	-	12	**17**
Organ education	(2)	50	3	(4)	-	**49**
TH repair & maintenance reserve	(3)	600	2	-	-	**602**
SH repair & maintenance reserve	(4)	16	-	-	-	**16**
Music in Birmingham	(5)	-	38	-	2	**40**
Name a seat campaign	(6)	-	35	-	-	**35**
		666	83	(4)	14	**759**
General reserve	(7)	-	12,695	(12,536)	-	**159**
Total Unrestricted		666	12,778	(12,540)	14	**918**

In the year, funds are used on an on-going basis in line with the charitable objectives of the company. Trustees have allocated funds in accordance with the repair and maintenance for both Town Hall and Symphony Hall.

These funds represent:
(1) Funds held to be used in support of educational work by the charity.
(2) Funds received for use on education work relating to the organ.
(3) Funds ring fenced against future commitments relating to the maintenance and upkeep of Town Hall building and will be applied at the discretion of Trustees.
(4) Funds ring fenced against future commitments relating to the maintenance and upkeep of Symphony Hall building and will be applied at the discretion of Trustees.
(5) Point of sale donations received from customers purchasing tickets.
(6) Donations arising from the 'Name a Seat at Symphony Hall' campaign
(7) The general reserve reflects the movement in operating income and expenditure including transfers to specific designated and restricted funds.

21. Analysis of total funds

Analysis of type of asset and liability	Unrestricted Funds £000	Restricted Funds £000	2016 £000	2015 £000
Tangible fixed assets	36	806	842	947
Current assets	5,237	496	5,733	5,538
Creditors falling due within the year	(4,355)	-	(4,355)	(4,545)
Creditors falling due after more than one the year	-	-	-	(74)
	918	1.302	2,220	1,866

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

	2016 £000	2015 £000
Net income for the reporting period	354	64
Adjustments for:		
Depreciation charges	133	130
Dividends, interest and rents from investments	(21)	(34)
Increase in stock	(1)	(11)
(Increase)/Decrease in debtors	(251)	932
(Decrease) / Increase in creditors	(264)	378
Net cash (used in) / provided by operating activities	(50)	1,459

23. Analysis of cash and cash equivalents

	31 March 2016 £000	31 March 2015 £000
Cash at bank and in hand	3,361	3,418
Cash investments	1,500	1,500
	4,861	4,918

24. Operating lease commitments

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

	Plant & Equipment		Land & Buildings	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
1 year	**5**	9	**46**	46
2 to 5 years	**19**	-	**185**	185
Over 5 years	**-**	-	**881**	300

25. Subsidiary company

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

A summary of the results for its subsidiary and the aggregate amount of their assets, liabilities and funds as at 31 March 2016 is shown below:

	2016	2015
	£000	£000
Income	**2,256**	2,045
Expenditure	**(1,918)**	(1,130)
Taxation	**(4)**	-
Operating profit	**334**	915
Gift Aid to PBL	**(334)**	(915)
Retained profit	**-**	-
Assets	**1,215**	1,139
Liabilities	**(1,215)**	(1,139)
Funds	**-**	-

26. Charity's statement of financial activities

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 financial activities on page 14 include £11,793k (2015: £10,381k) of income and £11,773k (2015: £11,231k) of expenditure relating to the charity.

27. Events after the end of the reporting period

There have been no significant events since the balance sheet date.

28. The member

Birmingham City Council, a local authority in England, is the sole member. PBL is a *Company Controlled by Birmingham City Council.*