

Charity Registration Number: 1053937
Company Registration Number: 03169600

PERFORMANCES BIRMINGHAM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Registered Office:
Performances Birmingham Limited
Symphony Hall
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Birmingham
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PERFORMANCES BIRMINGHAM LIMITED

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**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2017
CHAIR'S REPORT**

Over 26 years ago Symphony Hall was at the heart of the redevelopment and economic regeneration of Birmingham and in 2017 we once again find ourselves catalysing the regeneration of the city around our two iconic halls, Town Hall and Symphony Hall. Over the past year PBL has developed a bold new vision for Symphony Hall which will transform the public spaces in the building, create a new open relationship with the immediate public realm and support a sustainable new business model for the organisation.

This vision has been realised in a £12m capital project which is now being developed with partners, stakeholders and funders. This ambitious development of the building will deliver the following key benefits:

- A dramatic new entrance to Symphony Hall, through a new glass frontage directly from Centenary Square;
- A new and more open aspect to the building to support our audience development ambitions;
- An enhanced foyer performance space to support an expanded programme of free and informal music;
- A new suite of rooms for learning and participation;
- A significant expansion of our food and drink offer with the creation of a new foyer café bar and corporate hospitality spaces;
- A more permeable relationship with the redeveloped Centenary Square, thus supporting the wider regeneration of this area of the city.

Raising the funds to deliver this project will be a significant challenge to the organisation but PBL has gained regional and national endorsement for the scheme and the benefits it will deliver. After successful initial applications, PBL has now been invited to make second round submissions by both of the proposed funding partners.

Despite the challenges we believe that this project will not only future proof the business but it will give our local communities more flexible spaces in which to showcase their work, supporting our ambition to be a truly inclusive organisation. Symphony Hall is already a national icon: this project will ensure that the youth, diversity and creativity of our wonderful city region becomes an embedded part of our story.

The capital project will not distract us from our core business of thrilling our audiences with world class performances. Each year we programme over 800 concerts and events and bring the best jazz, folk, world, roots, classical, rock and pop music to over half a million people in Birmingham. Our commercial events programme continues to grow, supporting the local economy by providing spaces for meetings, conferences, graduations and debate.

During the past year PBL's learning and community team has continued to work across the region with projects that nurture young talent, spark musical curiosity and provide pathways into the joy of making and enjoying music. We continue to work extensively in our local ward of Ladywood, and flagship events such as the Generation Ladywood Showcase and Community Spirit are now eagerly anticipated fixtures in our annual programme. PBL's community programme now engages over 15,000 people every year and the development of the capital project is an opportunity to expand this further. Making relationships with new communities will be an exciting part of the development of the capital programme as we work towards its completion.

At a recent board away day we refined our mission and vision which will underpin our business and outreach plans for the future. Trustees and officers talked of self-reliance, confidence, trust, a shared vision and a joined up organisation - all positive internal beliefs. At the same discussion took place around collaboration, breaking down barriers and relevance - vital values which will drive PBL forward onto bigger and better things.

I am delighted to report that PBL is reporting a significant surplus this year which will ensure financial resilience over the coming years. We anticipate transfers towards our general reserves and Long Term Maintenance reserves in line with our medium term financial strategy.

Last but not least I want to thank our supporters, Birmingham City Council for their annual grant, ACE for supporting Jazzlines and the many trusts and individuals who stand behind us with their friendship, encouragement and financial support.

I am deeply grateful to the board members who give us so much of their valuable time and expertise to the staff team and to me. Finally none of this could happen without a dedicated and committed staff team who walk the extra mile ably led by Nick Reed our Chief Executive and his senior team.



Anita Bhalla OBE, Chair, Performances Birmingham Limited

**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2017
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**

Officers and Management

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

	Appointed	Resigned/Retired
Ms Anita Bhalla OBE DL (Chair)	19 August 1996	
Mr Andrew Street CBE (Vice Chairman)	1 October 2009	27 May 2017
Councillor Sir Albert Bore PhD BSc	10 February 2005	28 June 2016
Mr Dennis Scard Hon FTCL	27 September 1996	31 March 2017
Ms Mary Martin MA FCA	27 May 2009	
Mr Vidar Hjordeng MBE BA PG Dip	18 June 2009	
Mr Ian Myatt	18 June 2009	
Mr James Tait	13 January 2014	
Mr Ben Smith	13 January 2014	31 March 2017
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	31 March 2017
Professor Cliff Allan	19 February 2015	31 March 2017
Mr Davinder Bansal	19 February 2015	
Councillor Ewan Mackey	24 July 2015	
Councillor John Clancy	28 June 2016	
Ms Helen Bates	1 April 2017	
Ms Claire Evans	1 April 2017	

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

	Appointed	Resigned/Retired
Mr Dennis Scard Hon FTCL	18 September 2008	31 March 2017
Ms Mary Martin MA FCA	19 February 2015	1 April 2017
Mr Joel Blake OBE	19 February 2015	
Mr Paul Faulkner	19 February 2015	
Ms Nicola Keye	26 November 2015	
Mr D J R Pardoe	26 November 2015	
Ms Helen Bates	1 April 2017	
Ms Claire Evans	1 April 2017	

Key Management Personnel: Executive Management

Mr Andrew Jowett OBE (CEO) - retired 15 April 2016
Mr Nick Reed (CEO)
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, 8 Centenary Square, Birmingham. B1 2EA.

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

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

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

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

Charity number: 1053937

Company number: 03169600

**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2017
REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

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 2017 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

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

Structure, Governance and Management

Organisational structure

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.

**PERFORMANCES BIRMINGHAM LIMITED
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REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

Governance

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

The Trustees are nominated by the Nominations Committee and subsequently approved by the Board. They are made up of individuals chosen to represent the charity's stakeholders. They have a wide-ranging experience in business, music, education, and media and advise on all aspects of the charity's operation, giving strategic guidance on future development.

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.

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 646,000 patrons attended a total of 905 events promoted by PBL across Town Hall, Symphony Hall and venues throughout the city. Symphony Hall welcomed over 418,000 people to 442 events including free foyer, education and commercial events; Town Hall held 276 events welcoming 133,000 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 ongoing 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 recent 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.

In 2016 PBL re-launched the long standing Birmingham International Concert Season as Birmingham Classical. This change was more than simply a re-brand of existing work: the format of the season now better incentivises frequent attendance, and it facilitates a more fluid approach to how new concerts are added to the season. PBL is now working with partner organisations to create the appetite for yet closer collaboration amongst every organisation that presents classical music in our halls. We are working towards a more harmonious and customer facing offer that will better reward those loyal audiences who wish to attend multiple concerts, regardless of the presenter. Birmingham Classical has welcomed curious ears across the season, with a fresh interpretation of how a classical season can look. The British Paraorchestra opened a season which included many delights such as raging John Malgovich sparring with Symphony Hall's Klais organ, and a spellbinding performance of Ravi Shankar's only opera, *Sukanya*.

PBL's ability to present a rich musical programme is underpinned by the commercial success of our two halls. Birmingham is a key city for every touring artist and both our venues are in demand for high profile national tours. Revenue driven by our commercial programme directly supports the development of interesting musical projects that may not be viable on purely commercial terms. This dynamic both sustains our operating model and produces the happy juxtaposition in our programme of artists such as British Bengali Shapla Salique and German electronic pioneers Kraftwerk. Over the past year our successful partnership with Foyles bookshop has resulted in spoken word and literature complimenting the musical programme with Town Hall hosting evenings with a diverse range of writers including Johnny Marr and Arundhati Roy.

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.

PBL's 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.

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REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

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, this is now in significant decline and the role of PBL's Development team is more important than ever.

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 strong results for the 2016-17 year raising £598k (2016: £873k) against a target of £672k (2016: £691k), an excellent result for an organisation of this size. Particular thanks are given to Birmingham City Council, Heritage Lottery Fund, Arts Council England and our many sponsors and donors for their support.

Symphony Hall Capital Project

The continued reduction in core funding from Birmingham City Council represents a significant challenge to PBL, with the near certainty that it will continue to reduce, and the possibility that the City may withdraw completely from directly funding arts organisations.

This probability has infused PBL not with despondency, but with creative energy, and over the past year the organisation has challenged itself with how it might move to a sustainable future, un-reliant on public funding. Rather than diminish our ambition, we now have a plan that will allow that ambition to grow, and with it secure a sustainable future for PBL.

During the past year PBL has developed a bold plan for a transformation of Symphony Hall's public spaces. This £12m project will see a new entrance for Symphony Hall, directly off Centenary Square, and the creation of 750 square metres of additional space for performance, learning and corporate hospitality. This additional space will also support a much enhanced food and drink offer and a relocated box office.

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

PBL has made swift and successful progress with this project, winning the confidence of both the Local Economic Partnership and Arts Council of England, to whom significant grant applications have been made. In both instances PBL has been invited to submit a second round application and we are working towards deadlines for full submission by the end of 2018. Although there are still considerable funds to be secured, PBL is currently on track for delivery of this project by 2020.

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FOR THE YEAR ENDED 31 MARCH 2017
REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

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 599 ticketed events across Town Hall (226) and Symphony Hall (373) in 2016/17, which compares to a total of 512 in 2015/16 across Town Hall (234) and Symphony Hall (278).

The core grant from Birmingham City Council amounted to £1,700k (2016: £1,985k) and enables the charity to fulfil its current charitable purposes.

Expenditure in the year totalled £12,553k (2016: £13,088k). 88% of the expenditure relates to the delivery of the charity's objectives. 12% of the total expenditure incurred in the year is incurred through activities related to generating funds; these include income-generating activities such as catering, commercial hires, sponsorship, and retailing.

Subsidiary undertakings

The charity's wholly owned subsidiary, PBEL, continues to contribute to the charity's mission and its financial results are shown in note 23 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 £350k in Gift Aid (2016: £334k) to the charity's results after PBL management fees and service charges of £503k (2016: £552k) and £58k (2016: £55k) PBL hall hire.

Principal funding sources

The principal funding source for the charity is rental and admission income, contributing 55% (2016: 55%) of the total income. The grant received from Birmingham City Council constituted 13% (2016: 15%) of total funds this year.

Related party

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

Investment policy and performance

The funds available for the charity to invest comprise 70% advance box office receipts and 30% cash reserves. In order to retain flexibility and availability of these funds, the charity utilises short term, low risk financial markets treasury investments. No other investment vehicle is used.

The charity's investments are also held as a means of earning revenue on designated and restricted funds until they are required. The yield in the year was 1% (2016: 1%) and the investments had an average maturity of 268 (2016: 250) days as at 31 March 2017.

Basis of accounting

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

Pay policy

The framework comprises

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

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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 £1,196k with £464k (2016: £1,302k with £518k) 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 (2016: £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 other purposes. A detailed analysis is given in note 17 to the accounts.

Unrestricted Fund

Policy

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

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.

The charity is committed to accumulating a designated fund of £1m during the next five years to facilitate a Long Term Maintenance budget for both venues.

The charity's 'Designated' Funds are in surplus to the value of £1,072k (2016: £759k), including £879k for future building maintenance commitments for Town Hall and £15K for Symphony Hall.

The 'General Reserve' fund has a balance of £300k (2016: £159k).

Principal business and financial risks and uncertainties

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

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

Risk management

The trustees have a risk management strategy which comprises:

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

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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.

The change of NEC ownership in 2015, which saw the Management backed by Lloyds Development Capital take control, is a cause for concern as it has resulted in shifting priorities for that organisation. 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.

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

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 2017 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 (2016: £1.1k 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.

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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.

Developing further income streams and careful budgetary control 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.

Symphony Hall Capital Project

Preparation for the second round applications to Arts Council England and Local Growth Fund is progressing and implications for the three year financial plan are being considered. Funds will need to be committed for further consultancy, procurement planning, and VAT consultancy prior to the outcome of the applications. Careful management of the impact of operations during build stage would need to be factored into the financial plan.

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. PBL successfully appointed to the new post of IT Manager in March 2017 whose first task is to review business needs and propose the optimal IT infrastructure to support the future vision of PBL.

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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 5 October 2017 and signed on their behalf by:



Anita Bhalla OBE
Chair

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

We have audited the financial statements of Performances Birmingham Limited for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company 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 11, 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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its 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 affairs of the Group and charitable company as at 31 March 2017 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 other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees and Strategic Report has been prepared in accordance with applicable legal requirements.

**PERFORMANCES BIRMINGHAM LIMITED
FOR THE YEAR ENDED 31 MARCH 2017
AUDITOR'S REPORT**

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees and Strategic Report.

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: 11 October 2017

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

PERFORMANCES BIRMINGHAM LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017

		2017	2017	2017	2016	2016	2016
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
		Fund	Fund	Fund	Fund	Fund	Fund
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	2	27	61	88	42	101	143
Charitable activities:							
Rental & admissions	3a	-	7,047	7,047	-	7,416	7,416
Grants receivable	4	500	1,700	2,200	622	1,985	2,607
Other charitable activities	3b	-	1,238	1,238	-	999	999
Other trading activities	5	-	2,297	2,297	-	2,256	2,256
Investments	6	-	31	31	-	21	21
Total		527	12,374	12,901	664	12,778	13,442
Expenditure on:							
Raising funds:							
Commercial trading operations	7	-	(1,307)	(1,307)	-	(1,285)	(1,285)
Fundraising	7	-	(149)	(149)	-	(115)	(115)
Charitable activities	7	(633)	(10,464)	(11,097)	(548)	(11,140)	(11,688)
Total		(633)	(11,920)	(12,553)	(548)	(12,540)	(13,088)
Net income / expenditure for the year		(106)	454	348	116	238	354
Transfers between funds	17/18	-	-	-	(14)	14	-
Net movement in funds		(106)	454	348	102	252	354
Fund balances brought forward at 1 April 2016		1,302	918	2,220	1,200	666	1,866
Fund balances carried forward at 31 March 2017		1,196	1,372	2,568	1,302	918	2,220

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 18 to 34 form part of these financial statements

**PERFORMANCES BIRMINGHAM LIMITED
GROUP AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2017**

	Note	Group		Charity	
		2017	2016	2017	2016
		£000	£000	£000	£000
Fixed Assets					
Tangible assets	12	873	842	873	806
Total Fixed Assets		873	842	873	806
Current Assets					
Stocks	13	52	67	-	-
Debtors	14	622	805	1,265	1,350
Cash Investments		3,507	1,500	3,507	1,500
Cash at bank and in hand		2,398	3,361	1,210	2,379
Total Current Assets		6,579	5,733	5,982	5,229
Creditors - amounts falling due within one year	16	(4,884)	(4,355)	(4,366)	(3,815)
Net Current Assets		1,695	1,378	1,616	1,414
Net Assets		2,568	2,220	2,489	2,220
The Funds of the Charity:					
Restricted Income Funds	17	1,196	1,302	1,196	1,302
Unrestricted Income Funds					
Designated funds	18	949	759	949	759
General reserve	18	423	159	344	159
Total Unrestricted Income Funds		1,372	918	1,293	918
Total Charity Funds		2,568	2,220	2,489	2,220

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

Ms Anita Bhalla OBE



Mr James Tait


Date: 6 October 2017.

The notes on pages 18 to 34 form part of these financial statements

PERFORMANCES BIRMINGHAM LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £000	2016 £000
<hr/>			
Cash flows from operating activities:			
Net cash provided /(used in) by operating activities	20	1,201	(50)
 Cash flows from investing activities:			
Dividends, interest and rents from investments		31	21
Purchase of property, plant and equipment		(188)	(28)
Net cash (used in) by investments:		(157)	(7)
 Change in cash and cash equivalents in the reporting period		1,044	(57)
Cash and cash equivalents at 1 April 2016		4,861	4,918
Cash and cash equivalents at 31 March 2017	21	5,905	4,861

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.

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 8).

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 12), 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
Digital media displays - five years
Dishwashers - five 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.

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

Deferred Income

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

Financial instruments

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

Funds

PBL has designated funds which are unrestricted funds set aside for specific purposes by the Trustees and which would otherwise form part of the charity's general reserve.

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

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

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

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

2. Donations and legacies

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

PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

3. Income from charitable activities

(a) Rental and admissions

	2017	2016
	£000	£000
Rental		
City of Birmingham Symphony Orchestra	293	296
Local music users	340	316
Third party promoters	172	68
Other	34	33
	839	713
Admissions		
Birmingham Classical	472	577
Promoted and co-promoted events	5,726	6,066
Other	10	60
	6,208	6,703
	7,047	7,416

(b) Other charitable activities

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

4. Grants receivable

		2017	2016
		£000	£000
Core grant	(a)	1,700	1,985
Grants from beneficiaries	(b)	500	622
		2,200	2,607

(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.

PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. Income from other trading activities

	2017	2016
	£000	£000
Catering income	1,403	1,316
Sponsorship income	141	149
Merchandise income	116	133
Rentals	637	658
	2,297	2,256

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

6. Investments

	2017	2016
	£000	£000
Bank interest	31	21

PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7. Expenditure

		Staff £000	Direct £000	Other £000	2017 £000	2016 £000
Raising funds	- commercial trading	424	829	54	1,307	1,285
	- fund raising	149	-	-	149	115
Charitable activities	- concert and educational programmes	2,170	5,908	2,987	11,065	11,643
	- governance costs	20	-	12	32	45
Total expenditure		2,763	6,737	3,053	12,553	13,088

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

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

The above costs include:

	2017 £000	2016 £000
Auditor's remuneration - audit fees	16	16
- non audit fees	13	12
Operating leases - plant and machinery	5	11
Operating leases - land and buildings	46	46
Depreciation - owned tangible fixed assets	157	133

The depreciation charge of £157k (2016: £133k) includes £nil (2016: £26k) relating to the subsidiary company.

8. Employee information

The average headcount of core employees was 68 (2016: 72) 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

	2017 £000	2016 £000
Wages and salaries	2,548	2,614
Social security costs	170	188
Other pension costs	45	57
	2,763	2,859

From 1 April 2008 certain employees were transferred to the company who participated in the NEC Limited defined benefit pension scheme. No surplus or deficit relating to past service was transferred to the company at this date, and the company is not liable for any deficit that would subsequently arise relating to past service. On 1 May 2015 NEC Limited was replaced as principal employer by PETPS (Birmingham) Limited. The status of the defined benefit pension scheme is disclosed in the financial statements of PETPS (Birmingham) Limited. The company is unable to identify its share of the underlying assets and liabilities in the scheme 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 £nil (2016: £54K). 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:

	2017 Number	2016 Number
£70,001 - £80,000	1	1
£120,001 - £130,000	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

	2017 Number	2016 Number
By Activity		
Charitable activities	196	213
Cost of generating funds	61	81
	257	294

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

Key Management Personnel

	2017	2016
	£000	£000
Total remuneration (charity and group)	218	333

Redundancy and Termination Payments

	2017 £000	2016 £000	2017 Number	2016 Number
Voluntary redundancy, including non-statutory of £30k(2016: Nil)	44	-	2	-
Compulsory redundancy	-	2	-	1
	44	2	2	1

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

9. Trustees' remuneration

The Chairman of the Trustees received remuneration during the year of £19k (2016: £17k).

The other Trustees of the charity do not receive any remuneration, but are reimbursed any expenses for their services. In the year £1k was reimbursed for travel expenses incurred by three trustees (2016: £2.6k by three Trustees).

There are no retirement benefits paid to Trustees (2016: nil).

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

10. Related party transactions - Organisations

The related party during the year was Birmingham City Council . Birmingham City Council is the sole member of PBL. During the year the charity undertook the following transactions with Birmingham City Council:

	2017 £'000	2016 £'000	2017 £'000	2016 £'000
	Sale of goods and services		Purchase of goods and services	
Birmingham City Council	519	553	810	681

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

The amounts outstanding as at 31 March 2017 and 31 March 2016 are shown in notes 14 and 16.

**PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

Related party transactions - Trustees and Core Staff

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. He resigned on 31st March 2017.

Mr Davinder Bansal is a Trustee of PBL. He is an employee of Glenn Howells Architects.

Ms Anita Bhalla is a Trustee and Chair of PBL. She is a Trustee of the Sainsbury Trust.

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 until March 2015. He retired from the Birmingham City Council and as a PBL Trustee on 28th June 2016. See disclosure note 10 in respect of Birmingham City Council 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, Director of PBEL and the Chief Executive of the Greater Birmingham Chamber of Commerce. He is a Trustee of the Lord Mayor of Birmingham's Charity.

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 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.

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

PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Transactions

		Group			
		Trading		Box Office	
		2017	2016	2017	2016
		£000	£000	£000	£000
Received from					
Association of British Orchestras	Owed nil (2016:nil)	1	13	-	-
Birmingham Airport Holdings Limited	Owed nil (2016:nil)	-	1	-	-
BBC	Owed nil (2016:nil)	-	1	-	-
Birmingham City University	Owed nil (2016:£18k)	213	163	292	217
Birmingham REP	Owed nil (2016:nil)	-	-	-	-
Browne Jacobson (trade exchange)	Owed £10k (2016:nil)	10	10	-	-
Glenn Howells Architects (trade exchange)	Owed nil (2016:nil)	8	-	-	-
Greater Birmingham Chamber of Commerce	Owed nil (2016:nil)	7	1	-	-
Lord Mayor of Birmingham's Charity	Owed nil (2016:nil)	2	-	-	-
Marketing Birmingham Limited	Owed £12k (2016:£6k)	12	5	-	-
Midlands Arts Centre	Owed nil (2016:nil)	-	-	-	-
Saintbury Trust	Owed nil (2016:nil)	4	13	-	-
UK Theatre Association	Owed nil (2016:nil)	-	-	-	-
University of Birmingham	Owed nil (2016:nil)	6	7	17	10
Paid to					
Association of British Orchestras	Owed nil (2016:nil)	1	1	-	-
Birmingham Airport Holdings Limited	Owed nil (2016:nil)	-	-	-	-
BBC	Owed nil (2016:nil)	-	-	-	-
Birmingham City University	Owed nil (2016:nil)	1	6	292	217
Birmingham REP	Owed nil (2016:nil)	11	2	-	-
Browne Jacobson (trade exchange)	Owed nil (2016:nil)	10	10	-	-
Glenn Howells Architects (trade exchange)	Owed nil (2016:nil)	8	-	-	-
Greater Birmingham Chamber of Commerce	Owed nil (2016:nil)	1	-	-	-
Lord Mayor of Birmingham's Charity	Owed nil (2016:nil)	-	-	-	-
Marketing Birmingham Limited	Owed nil (2016:nil)	6	10	-	-
Midlands Arts Centre	Owed nil (2016:nil)	2	4	-	-
Saintbury Trust	Owed nil (2016:nil)	-	-	-	-
UK Theatre Association	Owed nil (2016:nil)	1	-	-	-
University of Birmingham	Owed nil (2016:nil)	-	-	17	10

11. Taxation and charitable status

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

PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12. Tangible assets - Charity

	2017 £000 SH Organ Project	2017 £000 SH Other	Charity 2017 £000
Cost:			
At 1 April 2016	1,294	420	1,714
Transferred from Trading Subsidiary	-	172	172
Additions	-	188	188
At 31 March 2017	1,294	780	2,074
Accumulated depreciation:			
At 1 April 2016	(776)	(132)	(908)
Transferred from Trading Subsidiary	-	(136)	(136)
Provided during year	(54)	(103)	(157)
At 31 March 2017	(830)	(371)	(1,201)
Net book value of assets as at 31 March 2017	464	409	873
Net book value of assets as at 31 March 2016	518	288	806

Tangible assets - Group

	2017 £000 Charity	2017 £000 SH Bars Equipment	2017 £000 SH Gift Shop	Group 2017 £000
Cost:				
At 1 April 2016	1,714	116	56	1,886
Transferred from/(to) Trading Subsidiary	172	(116)	(56)	-
Additions	188	-	-	188
At 31 March 2017	2,074	-	-	2,074
Accumulated depreciation:				
At 1 April 2016	(908)	(109)	(27)	(1,044)
Transferred from/(to) Trading Subsidiary	(136)	109	27	-
Provided during year	(157)	-	-	(157)
At 31 March 2017	(1,201)	-	-	(1,201)
Net book value of assets as at 31 March 2017	873	-	-	873
Net book value of assets as at 31 March 2016	806	7	29	842

PERFORMANCES BIRMINGHAM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

13. Stocks

	Group		Charity	
	2017	2016	2017	2016
	£000	£000	£000	£000
Finished goods	52	67	-	-

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.

	2017	2016
	£000	£000
Finished Goods		
TH Catering	14	9
SH Catering	16	15
The Shop	45	43
Cost of stock	75	67
Slow-moving stock provision	(23)	-
	52	67

Stock recognised in cost of sales during the year as an expense was £369K (2016: £353K)

14. Debtors

	Group		Charity	
	2017	2016	2017	2016
	£000	£000	£000	£000
Amounts Falling Due Within One Year				
Trade debtors	373	275	153	178
Amounts owed by group undertakings: PBEL	-	-	907	654
Amounts owed by related parties: Birmingham City Council	-	-	-	-
Value Added Tax	-	47	-	69
Other debtors	70	46	70	46
Prepayments	96	387	93	381
Accrued income	83	50	42	22
	622	805	1,265	1,350

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15. Accrued Income

	Group 2017 £000	Group 2016 £000	Charity 2017 £000	Charity 2016 £000
Accrued income brought forward	50	63	22	53
Released in the year	(48)	(63)	(20)	(53)
Accrued in the year	81	50	40	22
Accrued income carried forward	83	50	42	22

16. Creditors - amounts falling due within one year

	Group 2017 £000	Group 2016 £000	Charity 2017 £000	Charity 2016 £000
Trade creditors	126	191	76	70
Amounts owed to related parties: Birmingham City Council	-	33	-	33
Value Added Tax	67	-	20	-
Taxation and social security	47	52	47	52
Other creditors	1,284	1,080	1,183	892
Accruals	788	792	718	701
Deferred income	2,572	2,207	2,322	2,067
	4,884	4,355	4,366	3,815

Deferred Income

	Group 2017 £000	Group 2016 £000	Group 2017 £000	Charity 2016 £000
Deferred income brought forward	2,207	2,202	2,207	1,992
Released in the year	(2,207)	(2,104)	(2,207)	(1,901)
Deferred in the year	2,572	2,109	2,572	1,976
Deferred income carried forward	2,572	2,207	2,572	2,067

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17. Restricted income funds

		Balance 1 April 2016 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2017 £000
Organ construction	(1)	518	-	(54)	-	464
Organ maintenance	(2)	122	-	-	-	122
Sing for all	(3)	9	1	(5)	-	5
Generation Ladywood projects	(4)	291	38	(109)	-	220
Project soundlounge	(5)	30	25	(30)	-	25
Jazzlines projects	(6)	136	123	(177)	-	82
Symphony Hall 25 th anniversary	(7)	25	-	(25)	-	-
Blackwell funds	(8)	-	113	(105)	-	8
Gift shop capital grant	(9)	66	-	(9)	-	57
Thrive project	(10)	-	133	(27)	-	106
Small education projects	(11)	19	34	(42)	-	11
Small non-education projects	(12)	86	60	(50)	-	96
		1,302	527	(633)	-	1,196

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 12).
- (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, 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 2016-17 and for consultancy related to the potential expansion of Symphony Hall.
- (9) Funding for the refurbishment of the gift shop.
- (10) Funding for digital media displays.
- (11) Funding for a number of smaller projects to support the education and community programme.
- (12) Funds held for a number of ad hoc projects including £25k to fund a classical concert to be held in a multi storey car park.

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18. Unrestricted income funds

		Balance 1 April 2016 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2017 £000
Designated Funds						
General education	(1)	17	3	-	-	20
Organ education	(2)	49	-	(8)	-	41
TH repair & maintenance reserve	(3)	602	-	(5)	282	879
SH repair & maintenance reserve	(4)	16	-	(1)	-	15
Music in Birmingham	(5)	40	38	-	-	78
Name a seat campaign	(6)	35	4	-	-	39
		759	45	(14)	282	1,072
General reserve	(7)	159	12,329	(11,906)	(282)	300
Total Unrestricted		918	12,374	(11,920)	-	1,372

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 represents unrestricted funds. The Directors have agreed to build a level of general reserves of at least £1M to give the organisation the ability to be able to deal with unexpected events or to exploit new opportunities.

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19. Analysis of total funds

	Unrestricted Funds £000	Restricted Funds £000	2017 £000	2016 £000
Analysis of type of asset and liability				
Tangible fixed assets	235	638	873	842
Current assets	6,021	558	6,579	5,733
Creditors falling due within the year	(4,884)	-	(4,884)	(4,355)
	1,372	1,196	2,568	2,220

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

	2017 £000	2016 £000
Net Income for the reporting period	348	354
Adjustments for:		
Depreciation charges	157	133
Dividends, interest and rents from investments	(31)	(21)
Decrease / (Increase) in stock	15	(1)
Decrease / (Increase) in debtors	183	(251)
Increase / (Decrease) in creditors	529	(264)
Net cash provided by / (used in) operating activities	1,201	(50)

21. Analysis of cash and cash equivalents

	31 March 2017 £000	31 March 2016 £000
Cash at bank and in hand	2,398	3,361
Cash investments	3,507	1,500
	5,905	4,861

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22. Operating lease commitments

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

	Plant & Equipment		Land & Buildings	
	2017	2016	2017	2016
	£000	£000	£000	£000
1 year	5	5	46	46
2 to 5 years	14	19	185	185
Over 5 years	-	-	835	881

23. 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 2017 is shown below:

	2017	2016
	£000	£000
Income	2,297	2,256
Expenditure	(1,868)	(1,918)
Taxation	-	(4)
Operating profit	429	334
Gift Aid to PBL	(350)	(334)
Retained profit	79	-
Assets	1,504	1,215
Liabilities	(1,425)	(1,215)
Net Assets	79	-

24. 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 £11,164 (2016: £11,793k) of income and £11,245 (2016: £11,773k) of expenditure relating to the charity.

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25. Events after the end of the reporting period

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

26. The member

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