

Charity Registration Number: 1053937  
Company Registration Number: 03169600

**B:MUSIC LTD**  
**(PREVIOUSLY PERFORMANCES BIRMINGHAM LIMITED)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Registered Office:**  
B:Music Ltd  
Symphony Hall  
8 Centenary Square  
Birmingham  
B1 2EA

**Tel. No. 0121 289 6300**

**B:MUSIC LTD (PREVIOUSLY PERFORMANCES BIRMINGHAM LIMITED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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FOR THE YEAR ENDED 31 MARCH 2021**

**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:

	<b>Appointed</b>	<b>Resigned/Retired</b>
Ms Anita Kumari Bhalla OBE DL (Chair 27 February 2014)	19 August 1996	
Ms Mary Julia Martin MA FCA	27 May 2009	
Mr Vidar Paul Hjordeng MBE BA PG Dip	18 June 2009	
Mr Ian Philip Myatt	18 June 2009	
Mr James Tait	13 January 2014	
Mr Joel Graham Blake OBE	19 June 2014	
Mr Paul John Faulkner	19 June 2014	2 September 2021
Mr Davinderpal Bansal	19 February 2015	
Councillor Ewan Forbes Mackey	24 July 2015	
Councillor Alexander George Aitken	6 July 2018	
Ms Helen Elizabeth Bates	1 April 2017	
Ms Claire Jane Evans	1 April 2017	
Mr Anthony Roger Howard	1 August 2019	
Mr Oluwamayokun Alonge	1 August 2019	
Mrs Sheryl Andrea Miller	10 May 2021	
Mr Paul Hooper-Keeley	10 May 2021	

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:

	<b>Appointed</b>	<b>Resigned/Retired</b>
Mr Joel Blake OBE	19 February 2015	
Ms Nicola Keye	26 November 2015	
Mr D J R Pardoe	26 November 2015	
Ms Claire Evans	1 April 2017	
Mr Anthony Roger Howard	1 August 2019	
Ms Katie Rouse	1 August 2019	

**Senior Management Team**

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

**Principal Place of Business and Advisers**

**Registered Office:** B:Music Ltd, Symphony Hall, 8 Centenary Square, Birmingham, B1 2EA.

**Independent Auditor:** Mazars LLP, Two Chamberlain Square, Birmingham, B3 3AX.

**Bankers:** National Westminster Bank PLC, Solihull, High Street (A) Branch, Solihull, Birmingham, B91 3TF.

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

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

**Country of Incorporation:** Registered and incorporated in England and Wales

**Charity number:** 1053937

**Company number:** 03169600

## CHAIR'S REPORT

There is no doubt that the past year has been the most challenging year ever for B:Music as the global coronavirus pandemic has forced the near complete closure of the cultural sector. As a music charity that depends on bringing people together in person to make and enjoy music, this has had a profound effect on how B:Music has been able to operate. With virtually no earned income during the year, the pandemic has had the potential to threaten the charity's very existence.

I am delighted to report however that the charity has ended the year in a stable position and able to face the continuing uncertainty ahead with confidence. Under these circumstances this is both a remarkable achievement, and a testament to the staff and trustees that calmly navigated the extreme turbulence of the past year.

Staying engaged with our community of audiences and musicians throughout the year has been of paramount importance, allowing some connection through music even in isolated times. The B:Music team quickly switched to making these connections virtually with a rich and regular programme of online performances, learning and other digital activity. Throughout the year audiences have shown their appreciation of B:Music's work through social media, donations and donating refunds from cancelled concerts.

The Making an Entrance project has been a thread of positivity throughout the year as this stunning transformation of Symphony Hall reached its conclusion in January. This breath-taking transformation of the Hall's public spaces has unlocked huge potential for the charity and the positive reaction from audiences and musicians has been a heart-warming endorsement of the charity's vision. Delivered on time and on budget this is a landmark achievement for the charity and I am immensely grateful to the Arts Council England, Greater Birmingham & Solihull Local Enterprise Partnership, West Midlands Combined Authority and the many trust foundations and individual donors that supported the project.

A critical component of B:Music's survival during the past year has been the availability of the government's furlough scheme and subsequently the Culture Recovery Fund, both of which have benefitted the charity significantly. Using the furlough scheme to maximum potential has required significant sacrifices from the B:Music staff team, some enduring reduced pay while on furlough and others enduring long hours and high workloads. I am grateful to them all. Despite limited resources B:Music was able to successfully bid for grants from the Culture Recovery Fund, receiving the maximum possible award of £3m. This award feels like a resounding endorsement of the charity's work and a pivotal enabler of the cultural eco-system in the region.

There is no doubt further uncertainty lies ahead, even as Stage 4 of the roadmap from lockdown is achieved. The audience appetite for full capacity concerts is as yet un-tested, and the impact of more flexible working on city ecologies is still evolving. I am certain however that the enterprise and agility of the B:Music staff and trustees will allow the charity to quickly adapt, just as it has done over the past year. Whatever challenges lay ahead we remain resolute in our mission which is to inspire a love of live music through performance, participation and learning.



Anita Bhalla OBE, Chair, B:Music Ltd

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FOR THE YEAR ENDED 31 MARCH 2021**

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

**Introduction**

The trustees (who are also the directors of B:Music Ltd (BML) for the purposes of company law) are pleased to present their annual trustees' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. Performances Birmingham Limited changed its name to B:Music Ltd on 31 March 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (October 2019) (FRS 102) (effective 1 January 2015) - ('Charities SORP (FRS102)').

**Reference and administration information**

The Charity has a 25 year lease with Birmingham City Council for Symphony Hall which commenced on 1 May 2015. A new lease takes effect in reversion to the existing lease on 29 September 2026 and ends on 28 April 2050.

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

Authority to conduct the day-to-day operations of the charity is delegated by the Trustees to the Senior Management Team. The Senior Management Team is accountable to the Board of Trustees and is responsible for the efficient running of both Town Hall and Symphony Hall with the help of their staff. The Senior Management Team is responsible for the implementation of policies and strategies on behalf of the Trustees.

**Sub-group and Committees**

Finance and Scrutiny Committee  
Nominations Committee  
Health and Safety Committee  
Capital Development Committee  
Capital Project Group  
COVID-19 Committee

**Trustee Constitutional Provisions**

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

**Structure, Governance and Management**

**Organisational structure**

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

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

The charity continues to hold the whole of the issued share capital of B:Music (Enterprises) Ltd (previously Performances Birmingham (Enterprises) Limited) ('BMEL'). BMEL is registered with Companies House for England and Wales under number 03146280. Registered Office: B:Music (Enterprises) Ltd, Symphony Hall, 8 Centenary Square, Birmingham, B1 2EA. BMEL is governed by its Memorandum and Articles of Association that were last amended on 9 March 2007.

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FOR THE YEAR ENDED 31 MARCH 2021**

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

**Governance**

The governing body of B:Music 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.

**Charity Governance Code**

The Board of Trustees has considered the Charity Governance Code and supports the Code's seven principles of organisational purpose: leadership; integrity; decision-making, risk and control; board effectiveness; diversity; and openness and accountability. The Trustees take these principles into consideration in all aspects of policy review and risk management and apply recommendations where appropriate. The Board note the Code is not mandatory, but a practical tool for continuous improvement towards the highest standards.

**Equality, Diversity, and Inclusion (EDI)**

B:Music has renewed its commitment to become an organisation where there are no barriers to entry or progression, and it aspires to see the diversity of the region fully represented in its staff and audiences, and in the performers on its stages. The charity recognises that it needs to work positively to achieve this.

B:Music has formed a trustee led EDI group that will lead this work, and it has engaged an external inclusion specialist to survey staff attitudes to create a data set to inform further training, policy formation and specific interventions. There was a really high response rate to this survey suggesting a high level of engagement with this ambition.

**Employee Involvement and Employment of people with disability**

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

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

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

**Volunteers**

B:Music operates a volunteering programme whereby volunteers provide support and assistance to customers attending events. During the year ended 31 March 2021 the venues were closed due to Covid and therefore no volunteers were required. In 2020 14 volunteers gave up 1,572 hours of their time to volunteer for the charity.

**Trustee Induction and Training**

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

**Decision Making**

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

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT

### Fundraising

The fundraising team consists of 3 permanent members of staff who raise money from trusts and foundations, individuals and companies. On 8 February 2019 Buffalo Fundraising Consultants were appointed to conduct a telephone campaign to raise funds for the Making an Entrance capital campaign. Buffalo Fundraising Consultants agree to adhere to any and all fundraising standards and schemes for fundraising regulation that B:Music is voluntarily subscribed to.

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

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

Number of complaints about fundraising activity - nil.

### Objectives and Activities

B:Music'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.

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

BML 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. BML 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.

The formal statement of B:Music's charitable objects are better articulated to the public through its Vision and Mission:

#### Vision

Our vision is of a strong organisation where Birmingham's diversity and creativity are part of everything we do - from our support of artists and audiences, to our respect for music from around the corner and around the globe.

#### Mission

Our mission is to inspire a love of live music through performance, participation and learning

### Achievements & Performance

In this most unprecedented of years - when virtually all earned income ceased - the very survival of the charity as a going concern must be viewed as the single most significant achievement of the year. Despite this challenge the charity has been able to do this while remaining looking forward with confidence, ambition and relative financial security. This is a remarkable testament to the both the hard work of the B:Music team and the value placed on the charity's work by those that have supported its survival.

As the year started lockdown restrictions were already in place meaning that through necessity B:Music quickly transitioned from a live to digital programme, and with one or two exceptions, this remained the case for the whole year. Throughout the year B:Music presented music from the Symphony Hall stage in the form of weekly Watch Parties on Facebook and YouTube featuring performances from both local and national artists, providing work for musicians unable to play live.

During the year local musicians were invited to respond to the Now is not the Time for Silence campaign which resulted from the outcry following the murder of George Floyd, and the growing momentum of the Black Lives Matter movement. These

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT

commissions provided a valuable space for local artists to articulate their own experience of racism and resulted in a short film presented by singer and Jazz FM presenter China Moses

As well as specially commissioned performances B:Music continued learning activity digitally through the year with regular Community Spirit singing workshops with Associate Artistes Black Voices, and used its membership of the European Concert Hall Organisation to syndicate digital performances from concert halls across Europe.

Digital broadcasts from B:Music had already amassed 250,000 views by December and continued to grow during the year. Despite not being able to welcome physical audiences, B:Music quickly adapted to the digital space to keep its community of musicians and audiences connected.

Throughout the year the charity bid frequently and effectively for every relevant relief fund available to the cultural sector. The first key action of the year was to make full use of the Coronavirus Job Retention Scheme (furlough) which was announced in March. With no other sector relief announced at that point it was essential to take full advantage of the financial relief available and the majority of the charity's permanent staff were immediately placed on furlough with just 14 staff retained, working remotely, with only occasional visits to site when required for essential maintenance or as demanded by the Making an Entrance project. For the first few months of the year this small team managed all of the extraordinary implications of the pandemic which included rescheduling cancelled tours, producing digital content, managing grant bids, refunding cancelled tickets and contributing to the national dialogue and lobbying around sector guidance and support.

Although the furlough scheme provided a swift and significant reduction in staff overheads it was clear that this would not be adequate to ensure the survival of the charity in the face of the ongoing pandemic and a complete inability to trade. It became clear however that staff costs would need to be further reduced and a full redundancy consultation process started in Spring 2020. This resulted in the eventual loss of 20 posts through a mix of compulsory and voluntary redundancy.

In July 2020 the £1.57bn Culture Recovery Fund was announced. This was released in two rounds during the year with a maximum grant of £3m available to eligible organisations. Despite a much reduced team and against demanding timescales, B:Music bid for and received the full £3m grant. This award was not only the key component of the charity's survival during the year but a key enabler for artistic partners. B:Music successfully argued in its CRF application that although partners such as the CBSO were willing to present socially distanced concerts, the income arising from these - while the rest of the commercial concert sector was not able to function - was inadequate to cover the costs of remobilising. The CRF awards therefore not only underwrote some of the charity's overheads but also enabled a limited programme of socially distanced performances and recordings by partners such as CBSO, Ex Cathedra and Birmingham Royal Ballet.

On November 4<sup>th</sup> the CBSO gave the first public concert since the first lockdown which was an emotional day for performers, audiences and staff alike. Sadly, on November 5<sup>th</sup> the next lockdown was imposed, effectively frustrating all live performances for the remainder of the year.

During the year the charity continued to work with design agency Pentagram to develop a new brand which would replace both the charity's registered name - Performances Birmingham Limited - and its public facing name, Town Hall Symphony Hall. This was a highly positive partnership which teased out some of the charity's core values and attributes as part of the process. The new brand, B:Music, successfully de-couples the work of the charity from the buildings that it operates by using a brand architecture that allows a more coherent presentation of its work. This is illustrated in applications such as "B:Classical" "B:Jazz" or "Symphony Hall: A B:Music Venue" The charity's legal name change took place on April 1<sup>st</sup> 2021 and the brand was rolled out to the public with a teaser campaign and full launch over the subsequent months.

Considering all of the internal and external challenges of the pandemic, the completion of the Making an Entrance project at Symphony Hall is B:Music's most significant achievement for many years. This is reported fully below.

### **Making an Entrance: The Symphony Hall Capital Project**

Making an Entrance is the charity's ambitious project to maximise the artistic and commercial impact of Symphony Hall, one of its key physical assets. Despite the challenges of the pandemic this project was brought to a successful conclusion during the year.

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

Making an Entrance is a physical opening up of Symphony Hall that mirrors the ambition that B:Music should be more open to and representative of - the talent, youth and diversity of the region. The new frontage will create a more permeable relationship with the public realm and will give the opportunity to dramatically expand the output of free, informal and

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spontaneous music making in Symphony Hall's foyers. In parallel with this, a much-expanded bar and food offer will maximise the commercial potential of the building, positively supporting the scope of the charity's work.

Prior to the pandemic it had been anticipated that the project would be completed while Symphony Hall was a "live" site with performances continuing alongside construction. In retrospect, the absence of audiences for the whole year was one of the few upsides of the pandemic, allowing construction to continue virtually unimpeded.

Despite some initial disruption to supply of both labour and materials, the project continued without major incident throughout the year. B:Music was very capably represented by project manager David Stanley Associates who navigated the relationships between principal contractor Galliford Try and multiple other stakeholders, protecting the charity's interests and delivering a very positive experience.

Practical completion was achieved on 18<sup>th</sup> January, some four months later than planned but with full agreement from all parties. With no certainty about when live performances could resume and the agreement that no financial penalties would be invoked, the luxury of time was used for the benefit of all parties.

From January onwards B:Music commenced the client fit-out process which brought more of the B:Music team back from furlough to engage with the excitement of working in the new spaces for the first time, ordering and installing furniture, bars and kitchen equipment, sound, lighting, and loose equipment, completing the project to a very high standard.

It is fair to say that the finished project has resoundingly delivered on the ambition for an open, welcoming and contemporary space in which to relax, learn, perform and enjoy music. Every floor enjoys dramatic views across Centenary Square and both day and night the building appears animated and inviting from outside achieving the sense of permeability that was a key part of the brief. Initial test events show that the spaces work well ergonomically and acoustically, and the new bar and catering spaces have unlocked huge potential. Reactions from audiences and musicians have been glowingly positive.

The project was delivered to a very high standard, without major incidents, on time, and to the agreed budget of £13.2m. This is unusual in regular times and remarkable in a pandemic. This success was a team effort for B:Music and its partners and leaves a positive skills legacy in the B:Music team. In the bleakest times of the pandemic, the project itself was a modest beacon of hope that live music would not only return, but blossom.

The ongoing pandemic frustrated successive attempts to formally launch the new spaces but despite the extension of Stage 3 restrictions, a socially distanced launch weekend did take place over the weekend of 16<sup>th</sup>-18<sup>th</sup> July. Despite enduring social distancing requirements constraining capacity, the weekend was a truly joyful communion of musicians and audiences making and enjoying live music together, many for the first time in over a year. It was a resounding endorsement of years of work leading to that point.

The official stakeholder launch of Making and Entrance will take place in September 2021.

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT

### Supporting B:Music

Over the past 10 years B:Music has had to respond to declining public funding by evolving into an organisation that is positioned to maximise its earned income. Prior to the pandemic, B:Music now earned about 90% of its income compared to about 75% 10 years ago.

This financial year, with all ability to earn income severely curtailed, B:Music is indebted to Arts Council England for approving £3,000,000 of Culture Recovery Fund and £300,000 of Emergency Response Fund which enabled the survival of the charity.

Birmingham City Council relaxed reporting requirement in the Conditions of Grant Agreement (COGA) and ratified planned Prudential Borrowing of £700,000, notwithstanding the change of financial circumstances, in order to support the completion of the Making an Entrance project. Arts Council England relaxed activity reporting for National Portfolio Organisations, of which B:Music is one to the tune of £81,945, to enable grants to be accessed without delay.

Revenue fund-raising, due to the support of our patrons and general public, was able to raise two-thirds of the target (£40,856 from a budget of £60,095). This is despite extending the membership term of our supporters by three months, and a depleted Development team. A new Head of Development has been appointed in July 2021 to plan and deliver a new revenue campaign.

Further fundraising has been secured from West Midlands Combined Authority of up to £250,000 to support the digital screen costs in the foyer spaces for Making an Entrance.

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

### Financial review

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

Due to Covid both venues were closed except for a few recordings and one socially distanced CBSO concert. Overall there was 1 ticketed event across Town Hall (nil) and Symphony Hall (1) in 2020/21, which compares to a total of 590 in 2019/20 across Town Hall (236) and Symphony Hall (354).

The core grant from Birmingham City Council amounted to £1,388k (2020: £1,354k) and enables the charity to fulfil its current charitable purposes.

Expenditure in the year totalled £5,214k (2020: £13,379k). 94% of the expenditure relates to the delivery of the charity's objectives. 6% of the total expenditure incurred in the year is incurred through activities related to generating funds; these include income-generating activities such as commercial hires and sponsorship. Due to Covid no catering activities took place during the year.

### Subsidiary undertakings

The charity's wholly owned subsidiary, BMEL, continues to contribute to the charity's mission and its financial results are shown in note 27 to the consolidated financial statements.

Due to Covid the trade of BMEL was severely curtailed this year. In 2021/22 it will continue to trade in the provision of food and beverage and commercial hires. In the year BMEL has contributed £nil in Gift Aid (2020: £207k) to the charity's results after BML management fees and service charges of £56k (2020: £715k) and £2k (2020: £52k) BML hall hire.

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### Principal funding sources

The principal ongoing funding source for the charity is rental and admission income. However, during this year this income was severely curtailed due to Covid, contributing 1% (2020: 58%) of the unrestricted income. The grant received from Birmingham City Council constituted 25% (2020: 11%) of unrestricted income this year. Grants arising due to Covid contributed 39% of unrestricted income. The charity received £3,809k (2020:6,923k) in funding for Making An Entrance this year.

### Related party

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

### Investment policy and performance

The funds available for the charity to invest comprise 55% advance box office receipts and 45% cash reserves. In order to retain flexibility and availability of these funds, the charity utilises short term, low risk financial markets treasury investments. No other investment vehicle is used.

The charity's investments are also held as a means of earning revenue on designated and restricted funds until they are required. At 31 March 2021 £nil (2020: £1,010k) was held on 12 month fixed term deposits yielding 0% (2020: 1.15%) during the year. £2,513k (2020: £1,716k) was held on a 60 day notice account yielding 0.90% (2020: 0.85%) during the year.

### Basis of accounting

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

### Pay policy

The framework comprises

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

### Reserves policy and analysis

The Trustees review the reserves policy on an annual basis.

### Restricted Fund

In relation to the charity's Restricted Fund, these contain donations from trusts, foundations and individuals to be used for specific charitable objectives. The total balance of these funds at 31 March 2021 was £12,601k with £12,054k (2020: £8,857k with £6,318k) of this balance representing donations which were used to fund the foyer extension (MaE) and purchase the Symphony Hall organ and other assets and, as such, do not represent 'cash' items. A further £151k (2020: £147k) is held in reserve to cover future funding of organ maintenance at Symphony Hall. This will be used to maintain and refurbish the instrument. The remainder consists of funds raised to support Symphony Hall's Education and Community Programme as well as funds specifically donated for other purposes. A detailed analysis is given in note 19 to the accounts.

### Unrestricted Fund

#### Policy

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

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

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT

The 'Designated' Funds at 31 March 2021 totalled £1,453k (2020: £1,423k), including £1.3m (2020: £1.3m) for future building maintenance commitments for Town Hall and Symphony Hall and £45k (2020: £44k) for Making An Entrance, details of which are set out on page 7.

The 'General Reserve' fund has a balance of £822k (2020: £245k).

### Principal business and financial risks and uncertainties

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

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

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

### Risk management

The trustees have a risk management strategy which comprises:

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

The ongoing impact of the coronavirus pandemic remains the single most significant risk to the charity as it directly impacts the charity's ability to earn income. If it is not possible to present concerts at full capacity, the current business model is fundamentally inoperable.

At the time of writing the audience appetite for full capacity concerts remains un-tested and the final trajectory of the pandemic is as-yet unknown. Despite a high level of vaccination in the community and the lifting of legal restrictions, there remains a hangover of ambiguous governmental advice regarding ongoing precautionary measures.

There is no doubt however that even modest self-regulation in audience management measures will increase costs, and for some genres of music, reduce audiences. B:Music has mitigated this risk by reducing forecast audience numbers for every genre using a reducing scale in the 21-22 budget. At best the pandemic could fully subside with a minimal impact on audiences: At worst a return to local or national lockdowns could once again paralyse the sector and calls to isolate could continue to impact the workforce and supply chain.

The secondary risk impact of the pandemic is in the still evolving attitudes to work, leisure and possibly philanthropy. With many white-collar workers now anticipating working from home at least two days per week, daytime footfall in cities is likely to reduce with a possible impact on B:Music's daytime trading. Similarly there may be less city workers around to enjoy a concert after work. In wider economic terms many corporates and individuals may have endured a lean year with reduced turnover or income, impacting on their ability or desire to support charities like B:Music.

Birmingham City Council has indicated that its overall funding settlement for its cultural clients will not reduce over the next two years but the proportional split between clients may alter. A current significant financial risk is the likely further reduction in funding from Birmingham City Council (BCC). There is also a potential knock-on impact on smaller arts organisations that have historically used both venues. This risk is being mitigated through a tactical use of the spaces created by the Making an Entrance project. With more space at its disposal B:Music is now well placed to bring this into play as a contribution to more active partnership working.

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

Ongoing building works in the city and the extension of the Metro to Edgbaston continue to create the impression that the city centre is inaccessible to some audiences. This has been compounded in June 2021 by the introduction of the Clean Air Zone which levies a significant daily charge for non-compliant vehicles entering the zone. Both Symphony Hall and Town Hall and associated parking are within the CAZ. BML is also being challenged by new charges imposed by Birmingham City Council to facilitate coach disembarkation on Cambridge Street as Broad Street is no longer available. This is being mitigated through communication with potential and existing clients and maintaining conducive relationships with developers and local police. Following the terrorist attacks in Manchester and London in May 2017 the security of our venues and safety of our patrons and staff has become our highest risk. Management of this risk is ongoing with additional planning and resource being deployed

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT

per event. This level is currently discretionary but the results of the consultation on the Protect Duty (aka Martyn's Law) may yet see great formalisation of these obligations.

### 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 2021 and such indemnity insurance was in place at the date of approval of these financial statements. For the financial year under review the total cost of the indemnity insurance for the Trustees was £2.8k and the cover £2m (2020: £2.8k cost and £2m cover).

### Public Benefit

In preparing these financial statements the Trustees have taken into consideration the Charity Commission guidance on public benefit. All BML charitable purposes are for public benefit. All BML 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 B:Music'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 - B:Music has always been extremely grateful for the funding that it has received. Nevertheless, pressure on local government budgets is more intense than ever and as a result the amount of money which Birmingham City Council can devote to the arts has inevitably had to reduce over the past years.

Making an Entrance, the project to extend Symphony Hall's foyers and public spaces was B:Music's strategic response to this decline in public funding and a significant step on the road to financial self-reliance. The project was the cornerstone of a five-year business plan to increase earned income and trust and foundation support. The impact of COVID-19 at the start of the financial year delayed our ability to unlock the financial potential of the new facilities and set the planning timeline back significantly.

In July 2020 B:Music was able to secure £300,000 of Arts Council England Emergency Response Fund and, as a collaborative bid with CBSO, a grant of £2,534,675 Culture Recovery Fund. Post balance sheet a further £465,325 Culture Recovery Fund grant was secured, being the maximum available across rounds one and two. The support of the Arts Council, together with the general reserves of the charity, enabled B:Music to survive as a going concern to date.

Birmingham City Council elected for the arts funding support to remain static into the year to 31<sup>st</sup> March 2022 to allow planning to continue unimpeded. The five-year plan is now being rebased for a recovery period and public confidence to return. B:Music received £29,402 of Local Restrictions Support Grants in response to Tier closures in Birmingham.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

**Trustees' responsibilities statement**

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

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

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

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

**Statement of disclosure of information to the auditors**

In so far as the Trustees are aware:

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

This report was approved by the Trustees on 21 October 2021 and signed on their behalf by:



Anita Bhalla OBE  
Chair

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF B:MUSIC LTD (PREVIOUSLY PERFORMANCES BIRMINGHAM LIMITED)**

### **Opinion**

We have audited the financial statements of B:Music Ltd (the 'parent charity') and its subsidiary (the 'group') for the year ended 31st March 2021 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31st March 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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

We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF B:MUSIC LTD (PREVIOUSLY PERFORMANCES BIRMINGHAM LIMITED) (CONTINUED)

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity's 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.

### Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the group and the parent charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to employment regulation, fraud and non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, inappropriately shifting the timing and basis of revenue recognition, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

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

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

### Use of the audit report

This report is made solely to the charity's member 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 member 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 member as a body for our audit work, for this report, or for the opinions we have formed.

*Ian Holder*

Ian Holder (Senior Statutory Auditor)  
for and on behalf of Mazars LLP, Chartered Accountants and Statutory Auditor  
2 Chamberlain Square  
Birmingham  
B3 3AX

Date: 29 October 2021

B:MUSIC LTD ( PREVIOUSLY PERFORMANCES BIRMINGHAM LIMITED)  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2021

		2021	2021	2021	2020	2020	2020
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
		Fund	Fund	Fund	Fund	Fund	Fund
	Note	£000	£000	£000	£000	£000	£000
<b>Income from:</b>							
Donations and legacies	2	231	74	305	369	97	466
Charitable activities:							
Rental & admissions	3a	-	97	97	-	7,387	7,387
Grants receivable	4	3,713	5,184	8,897	6,835	1,399	8,234
Other charitable activities	3b	-	157	157	-	1,591	1,591
Other trading activities	5	-	91	91	-	2,151	2,151
Investments	6	-	18	18	-	51	51
<b>Total</b>		<b>3,944</b>	<b>5,621</b>	<b>9,565</b>	<b>7,204</b>	<b>12,676</b>	<b>19,880</b>
<b>Expenditure on:</b>							
Raising funds:							
Commercial trading operations	7	-	(217)	(217)	-	(1,288)	(1,288)
Fundraising	7	-	(105)	(105)	-	(153)	(153)
Charitable activities	7	(200)	(4,692)	(4,892)	(507)	(11,431)	(11,938)
<b>Total</b>		<b>(200)</b>	<b>(5,014)</b>	<b>(5,214)</b>	<b>(507)</b>	<b>(12,872)</b>	<b>(13,379)</b>
<b>Net income / expenditure for the year</b>		<b>3,744</b>	<b>607</b>	<b>4,351</b>	<b>6,697</b>	<b>(196)</b>	<b>6,501</b>
Transfers between funds	19/20	-	-	-	200	(200)	-
<b>Net movement in funds</b>		<b>3,744</b>	<b>607</b>	<b>4,351</b>	<b>6,897</b>	<b>(396)</b>	<b>6,501</b>
Fund balances brought forward at 1 April 2020		8,857	1,668	10,525	1,960	2,064	4,024
<b>Fund balances carried forward at 31 March 2021</b>		<b>12,601</b>	<b>2,275</b>	<b>14,876</b>	<b>8,857</b>	<b>1,668</b>	<b>10,525</b>

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

The notes on pages 19 to 36 form part of these financial statements

**B:MUSIC LTD ( PREVIOUSLY PERFORMANCES BIRMINGHAM LIMITED)  
GROUP AND CHARITY BALANCE SHEETS  
AS AT YEAR ENDED 31 MARCH 2021**

	Note	Group		Charity	
		2021	2020	2021	2020
		£000	£000	£000	£000
<b>Fixed Assets</b>					
Intangible fixed assets	12	108	128	108	128
Tangible fixed assets	13	13,580	7,070	13,580	7,070
<b>Total Fixed Assets</b>		<b>13,688</b>	<b>7,198</b>	<b>13,688</b>	<b>7,198</b>
<b>Current Assets</b>					
Stocks	14	-	-	-	-
Debtors	15	985	1,302	922	1,236
Cash Investments		2,513	2,726	2,513	2,726
Cash at bank and in hand		3,174	4,562	3,155	4,535
<b>Total Current Assets</b>		<b>6,672</b>	<b>8,590</b>	<b>6,590</b>	<b>8,497</b>
<b>Creditors - amounts falling due within one year</b>	17	<b>(4,815)</b>	<b>(5,263)</b>	<b>(4,709)</b>	<b>(5,257)</b>
<b>Net Current Assets</b>		<b>1,857</b>	<b>3,327</b>	<b>1,881</b>	<b>3,240</b>
<b>Creditors - amounts falling due after one year</b>	18	<b>(669)</b>	<b>-</b>	<b>(669)</b>	<b>-</b>
<b>Net Assets</b>		<b>14,876</b>	<b>10,525</b>	<b>14,900</b>	<b>10,438</b>
<b>The Funds of the Charity:</b>					
Restricted Income Funds	19	12,601	8,857	12,601	8,857
Unrestricted Income Funds					
Designated funds	20	1,453	1,423	1,453	1,423
General reserve	20	822	245	846	158
<b>Total Unrestricted Income Funds</b>		<b>2,275</b>	<b>1,668</b>	<b>2,299</b>	<b>1,581</b>
<b>Total Charity Funds</b>		<b>14,876</b>	<b>10,525</b>	<b>14,900</b>	<b>10,438</b>

The charity has taken advantage of Section 408 of the Companies Act 2006 and paragraph 397 of the SORP and has not included a separate Statement of Financial Activities in these financial statements. The Statement of Financial Activities on page 15 include £9,460k (2020: £18,497k) of income and £4,997k (2020: £12,113k) of expenditure relating to the charity.

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

Ms Anita Bhalla OBE



Date: 21/10/21

The notes on pages 19 to 36 form part of these financial statements

B:MUSIC LTD ( PREVIOUSLY PERFORMANCES BIRMINGHAM LIMITED)  
CONSOLIDATED STATEMENT OF CASHFLOWS  
AS AT 31 MARCH 2021

	Notes	2021 £000	2020 £000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	22	<u>5,159</u>	<u>5,848</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		18	51
Purchase of property, plant and equipment		<u>(6,778)</u>	<u>(5,577)</u>
Net cash (used in) by investments:		<u>(6,760)</u>	<u>(5,526)</u>
Change in cash and cash equivalents in the reporting period		(1,601)	322
Cash and cash equivalents at 1 April 2020		<u>7,288</u>	<u>6,966</u>
Cash and cash equivalents at 31 March 2021	23	<u>5,687</u>	<u>7,288</u>

## 1. Accounting policies

### Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (October 2019) (FRS102) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

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

### Judgements and estimations

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

### Preparation of accounts on a going concern basis

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

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

### Basis of consolidation

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

### Income

Income is generally recognised on a receivable basis for generating funds but income generated from charitable activities is recognised at the point revenue and the costs associated with the delivery of the services can be reliably measured. It is measured at the fair value of the consideration received or receivable.

The specific bases used are as follows:

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

### Investments

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

### Expenditure

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

- Raising funds comprises the costs associated with attracting voluntary income and the other costs of other income generation e.g. costs associated with provision of catering services.
- Charitable expenditure comprises direct expenditure, including direct staff costs attributable to its activities for its concert programmes and educational programme, and indirect staff costs and overheads.
- Governance costs include those incurred in the governance of its assets and are associated with constitutional and statutory requirements.

## 1. Accounting policies - continued

### Operating leases

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

### Employee benefit costs

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

### Intangible fixed assets and amortisation

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

### Tangible fixed assets and depreciation

It is the charity's policy to capitalise the cost of major capital projects and to depreciate them over their estimated useful lives. As a matter of policy expenditure is capitalised on individual projects where that expenditure is more than £10,000 in total and it directly results in:

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

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

The cost of the Organ (note 13), which comprises the acquisition and construction costs, is being depreciated and charged against the restricted fund over the term of the sub-lease (25 years) from the date of installation (20 October 2001). IT equipment is depreciated over 2,3,5,7 or 10 years dependent on the nature of the equipment. Other assets are being depreciated on a straight-line basis over their useful economic life as follows:

#### Over five years

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

#### Over six years

Heineken bar

#### Over seven years

Town Hall lighting, Town Hall PA system

#### Over twenty years

Symphony Hall lighting

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

## 1. Accounting policies - continued

### Stocks

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

Gift Shop - Due to the COVID-19 pandemic the gift shop has not traded since lockdown in March 2020 and a decision has been made to close the shop permanently. In view of the high degree of uncertainty regarding any realisation value of the stock full provision was made in the accounts for the year ended 31 March 2020.

Catering - Due to the COVID-19 pandemic the bars have not opened since lockdown in March 2020 and majority of the stock has become out of date and will have to be destroyed. In view of this full provision was made in the accounts for the year ended 31 March 2020 and the stock has now been written off.

### 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

B:Music Ltd 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.

B:MUSIC LTD ( PREVIOUSLY PERFORMANCES BIRMINGHAM LIMITED)  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2021

3. Income from charitable activities

(a) Rental and admissions

	2021	2020
	£000	£000
<b>Rental</b>		
City of Birmingham Symphony Orchestra	82	330
Local music users	9	234
Third party promoters	6	459
Other	-	9
	97	1,032
<b>Admissions</b>		
Birmingham Classical	-	298
Promoted and co-promoted events	-	6,055
Other	-	2
	-	6,355
	97	7,387

(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

		2021	2020
		£000	£000
Core grant	(a)	1,388	1,354
Capital project (MaE) grants	(b)	3,598	6,270
Cultural Recovery Fund grant	(c)	2,025	-
Arts Council England Emergency grant	(c)	300	-
Coronavirus Job Retention Scheme grant	(d)	1,442	46
Other grants	(e)	144	564
		8,897	8,234

- (a) The charity was awarded a core revenue operating grant from Birmingham City Council to enable B:Music Ltd to fulfil its charitable aims and objectives at Town Hall and Symphony Hall. A service level agreement is agreed annually.
- (b) The charity was awarded grants from Arts Council England and The Local Enterprise Partnership in respect of the capital project (MaE)
- (c) The charity was awarded grants from Arts Council England to enable its economic survival post Covid.
- (d) The charity was awarded Coronavirus Job Retention Scheme grant in respect of staff furloughed during the coronavirus pandemic.
- (e) This comprises grants received from several individuals, trusts, foundations and other grant giving organisations. The charity was awarded a grant from the Arts Council England to enable B:Music Ltd to fulfil its charitable aims and objectives in relation to the Jazzlines series. A service level agreement is agreed every four years.

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**5. Income from other trading activities**

	2021	2020
	£000	£000
Catering income	-	1,421
Sponsorship income	41	102
Merchandise income	50	95
Rentals	-	533
	91	2,151

**6. Investments**

	2021	2020
	£000	£000
Bank interest	18	51

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7. Expenditure

		Staff £000	Direct £000	Support £000	2021 £000
Raising funds	- commercial trading	165	19	33	217
	- fund raising	105	-	-	105
Charitable activities	- concert and educational programmes	2,433	113	2,324	4,870
	- governance costs	10	-	12	22
Total expenditure		<u>2,713</u>	<u>132</u>	<u>2,369</u>	<u>5,214</u>

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

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

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

The above costs include:

	2021 £000	2020 £000
Auditor's remuneration - audit fees	17	17
- non audit fees	33	19
Operating leases - plant and machinery	6	5
Operating leases - land and buildings	46	46
Depreciation - owned tangible fixed assets	268	164
Amortisation - owned intangible fixed assets	20	11

## 8. Employee information

The average headcount of core employees was 60 (2020:75) in the financial year. Staff costs also include variable employees engaged on a daily basis from time to time as the fluctuations in the charity's business dictate. All variable employees, as with the management team, are employed by B:Music Ltd.

### Staff costs analysis

	2021	2020
	£000	£000
Wages and salaries	2,501	2,921
Social security costs	157	199
Other pension costs	55	70
	2,713	3,190

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

In 2008 all B:Music Ltd members and new members joined the NEC's Group Personal Pension Plan (GPPP). This is a defined contribution scheme. On 31 March 2017 all members of NEC's GPPP were transferred to a B:Music Ltd GPPP, following the review of pay and benefits during 2014 and 2015. The B:Music Ltd 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:

	2021	2020
	Number	Number
£70,001 - £80,000	1	1
£120,001 - £130,000	1	1

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

### Staff numbers

	2021	2020
	Number	Number
<b>By Activity</b>		
Charitable activities	241	212
Cost of generating funds	9	81
	250	293

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

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**Key Management Personnel**

	2021	2020
	£000	£000
Total remuneration (charity and group)	370	362

Key management personnel comprise six employees (2020: six employees with the sixth member of the team joining on 2 September 2019).

**Redundancy and Termination Payments**

There was one termination payment during the year comprising £7k of statutory pay and £5k of discretionary pay (2020: £18k discretionary).

There were 14 redundancy payments comprising £101k of statutory payments and £25k of discretionary payments.

There were no liabilities in respect of redundancy and termination payments at the balance sheet date (2020: nil).

**9. Trustees' remuneration**

The Chairman of the Trustees received remuneration during the year of £10k (2020: £20k).

The other Trustees of the charity do not receive any remuneration but are reimbursed any expenses for their services. In the year £nil was reimbursed for travel expenses (2020: £81 for one Trustee).

There are no retirement benefits paid to Trustees (2020: nil).

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

**10. Related party transactions - Organisations**

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

	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
	Sale of goods and services		Purchase of goods and services	
Birmingham City Council	334	599	817	863

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

The amount due to Birmingham City Council included in trade creditors at 31 March 2021 was £1k (2020: £202k)

The amount due from Birmingham City Council at 31 March 2021 was nil (2020: nil)

### **Related party transactions - Trustees and Core Staff**

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

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

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

Mr Paul Faulkner was a trustee of BML until 2 September 2021. He was the Chief Executive of the Greater Birmingham Chambers of Commerce until March 2021.

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

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

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

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

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

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Transactions

		Group			
		Trading		Box Office	
		2021	2020	2021	2020
		£000	£000	£000	£000
<b>Received from</b>					
Black Country Living Museum	Owed nil (2020:nil)	-	1	-	-
Browne Jacobson (trade exchange)	Owed nil (2020:nil)	-	10	-	-
Birmingham International Piano Competition	Owed nil (2020:nil)	-	3	-	-
St Basil's	Owed nil (2020:nil)	-	1	-	-
University of Birmingham	Owed nil (2020:nil)	-	4	-	5
<b>Paid to</b>					
Browne Jacobson (trade exchange)	Owed nil (2020:nil)	-	10	-	-
Browne Jacobson (other)	Owed nil (2020:nil)	22	158	-	-
Greater Birmingham Chamber of Commerce	Owed nil (2020:nil)	1	2	-	-

During the year BML received a total of £925k (2020: £4,744k) in restricted donations from organisations connected to related parties.

11. Taxation and charitable status

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

## 12. Intangible fixed assets - Group and Charity

	Total 2021 £000
<b>Cost:</b>	
At 1 April 2020	143
Additions	-
At 31 March 2021	143
<b>Accumulated depreciation:</b>	
At 1 April 2020	(15)
Provided during year	(20)
At 31 March 2021	(35)
<b>Net book value of assets as at 31 March 2021</b>	<b>108</b>
Net book value of assets as at 31 March 2020	128

Intangible fixed assets comprise software and IT system licences.

## 13. Tangible fixed assets - Group and Charity

	2021 £000	2021 £000	2021 £000	2021 £000
	Construction Work in progress	SH Organ Project	Other	Total
<b>Cost:</b>				
At 1 April 2020	5,955	1,294	1,494	8,743
Additions	6,778	-	-	6,778
At 31 March 2021	12,733	1,294	1,494	15,521
<b>Accumulated depreciation:</b>				
At 1 April 2020	-	(991)	(682)	(1,673)
Provided during year	-	(54)	(214)	(268)
At 31 March 2021	-	(1,045)	(896)	(1,941)
<b>Net book value of assets as at 31 March 2021</b>	<b>12,733</b>	<b>249</b>	<b>598</b>	<b>13,580</b>
Net book value of assets as at 31 March 2020	5,955	303	812	7,070

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14. Stocks

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Finished goods	-	-	-	-

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.

	2021	2020
	£000	£000
<b>Finished Goods</b>		
Catering	-	27
The Shop	27	27
Cost of stock	27	54
Slow-moving stock provision	(27)	(54)
	-	-

15. Debtors

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£000	£000	£000	£000
<b>Amounts Falling Due Within One Year</b>				
Trade debtors	171	216	124	143
Other debtors	92	243	71	243
Value Added Tax	53	365	60	378
Prepayments	446	475	444	469
Accrued income	223	3	223	3
	985	1,302	922	1,236

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**16. Accrued Income**

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Accrued income brought forward	3	38	3	26
Released in the year	(3)	(38)	(3)	(26)
Accrued in the year	223	3	223	3
<b>Accrued income carried forward</b>	<b>223</b>	<b>3</b>	<b>223</b>	<b>3</b>

**17. Creditors - amounts falling due within one year**

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Bank overdraft	-	37	-	37
Trade creditors	283	725	282	688
Secured loan	41		41	
Amounts owed to group undertakings: BMEL	-	-	24	239
Taxation and social security	39	53	39	53
Other creditors	1,403	1,873	1,404	1,850
Accruals	619	687	605	639
Deferred income	2,430	1,888	2,314	1,751
	<b>4,815</b>	<b>5,263</b>	<b>4,709</b>	<b>5,257</b>

**Deferred Income**

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Deferred income brought forward	1,888	2,621	1,751	2,426
Released in the year	(607)	(2,595)	(535)	(2,400)
Deferred in the year	1,149	1,862	1,098	1,725
<b>Deferred income carried forward</b>	<b>2,430</b>	<b>1,888</b>	<b>2,314</b>	<b>1,751</b>

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

**18. Creditors - amounts falling due after one year**

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Secured loan:				
Due within 2 to 5 years	103	-	103	-
Due after 5 years	566	-	566	-
	<b>669</b>	<b>-</b>	<b>669</b>	<b>-</b>

**19. Restricted income funds**

		Balance 1 April 2020 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2021 £000
Organ construction	(1)	303	-	(54)	-	249
Organ maintenance	(2)	147	4	-	-	151
Community Spirit (Sing for all)	(3)	21	1	(13)	-	9
Generation Ladywood projects	(4)	136	7	(1)	-	142
Project soundlounge	(5)	24	-	-	-	24
Jazzlines projects	(6)	47	103	(41)	-	109
Gift shop capital grant	(7)	31	-	(31)	-	-
Thrive project	(8)	26	-	(26)	-	-
Small education projects	(9)	8	-	(3)	-	5
Small non-education projects	(10)	57	20	(10)	-	67
Capital campaign	(11)	8,057	3,809	(21)	-	11,845
		<b>8,857</b>	<b>3,944</b>	<b>(200)</b>	<b>-</b>	<b>12,601</b>

In accordance with the conditions of the fund category, Trustees have applied surplus funds to other charitable objectives in accordance with the terms of the funds received.

These funds represent:

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

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**20. Unrestricted income funds**

		Balance				Balance
		1 April	Income	Amounts	Transfers	31 March
		2020		utilised		2021
		£000	£000	£000	£000	£000
<b>Designated Funds</b>						
General education	(1)	-	2	-	-	2
Organ education	(2)	36	-	(6)	-	30
Building maintenance reserve	(3)	1,296	-	(8)	-	1,288
Music in Birmingham	(4)	44	14	-	-	58
Making an Entrance	(5)	44	1	-	-	45
THSH COVID-19 relief	(6)	3	37	(10)	-	30
		1,423	54	(24)	-	1,453
<b>General reserve</b>	<b>(7)</b>	<b>245</b>	<b>5,567</b>	<b>(4,990)</b>	<b>-</b>	<b>822</b>
<b>Total Unrestricted</b>		<b>1,668</b>	<b>5,621</b>	<b>(5,014)</b>	<b>-</b>	<b>2,275</b>

These funds represent:

- (1) Funds for support of educational work by the charity.
- (2) Funds for use on education work relating to the organ.
- (3) Funds ring fenced against future commitments relating to the maintenance and upkeep of Town Hall and Symphony Hall buildings and will be applied at the discretion of Trustees.
- (4) Point of sale donations received from customers purchasing tickets.
- (5) Funds for 'Make an Entrance' - the capital project to extend the performance and hospitality space at Symphony Hall.
- (6) Funds for supporting activity during the COVID-19 pandemic.
- (7) The general reserve represents unrestricted funds.

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21. Analysis of total funds

	Unrestricted Funds £000	Restricted Funds £000	2021 £000
<b>Analysis of type of asset and liability</b>			
Intangible fixed assets	108	-	108
Tangible fixed assets	1,526	12,054	13,580
Current assets	6,125	547	6,672
Creditors falling due within the year	(4,815)	-	(4,815)
Creditors falling due after one year	(669)	-	(669)
	<b>2,275</b>	<b>12,601</b>	<b>14,876</b>

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

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

	2021 £000	2020 £000
<b>Net income for the reporting period</b>	<b>4,351</b>	<b>6,501</b>
<b>Adjustments for:</b>		
Depreciation and amortisation charges	288	175
Dividends, interest and rents from investments	(18)	(51)
Decrease in stock	-	43
Decrease / (Increase) in debtors	317	(305)
Increase / (decrease) in creditors	221	(515)
<b>Net cash provided by operating activities</b>	<b>5,159</b>	<b>5,848</b>

23. Analysis of cash and cash equivalents

	31 March 2021 £000	31 March 2020 £000
Cash at bank and in hand	3,174	4,562
Cash investments	2,513	2,726
	<b>5,687</b>	<b>7,288</b>

**24. Pension commitments**

The pensions of employees of the Charity are provided by way of a defined contribution scheme. The pension cost charged to the Statement of Financial Activities during the period was £52k (2020: £70k). Unpaid pension contributions at the year end totalled £10k (2020: £13k).

**25. Operating lease commitments**

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

	Plant & Equipment		Land & Buildings	
	2021 £000	2020 £000	2021 £000	2020 £000
1 year	6	6	46	46
2 to 5 years	17	23	185	185
Over 5 years	-	-	1,155	1,201

BML has a 25 year lease with Birmingham City Council for Symphony Hall which commenced on 1 May 2015. Rent of £46K is payable annually. A new lease takes effect in reversion to the existing lease on 29 September 2026 under which a rent of £46k is payable annually. Under these new arrangements a lease premium of £150k was paid during this year. The lease premium has been capitalised and is included in "Construction work in progress" shown at note 13 to these accounts.

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

**26. Security**

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

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

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**27. Subsidiary company**

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

A summary of the results for its subsidiary and the aggregate amount of their assets, liabilities and funds as at 31 March 2021 is shown below:

	2021	2020
	£000	£000
Income	91	2,173
Expenditure	(273)	(2,055)
Other operating income	73	-
Taxation	20	(22)
<b>Operating (loss) / profit</b>	<b>(89)</b>	<b>96</b>
Retained profit brought forward	65	176
Gift Aid to BML	-	(207)
<b>Retained profit carried forward</b>	<b>(24)</b>	<b>65</b>
Assets	112	345
Liabilities	(136)	(280)
<b>Net Assets</b>	<b>(24)</b>	<b>65</b>

**28. Capital commitments**

At 31 March 2021 the Trustees had contracted for the purchase of equipment required for the capital project an amount of £76k.

**29. The member**

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

The governing body of BML 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.