

Charity Registration Number: 1053937  
Company Registration Number: 03169600

**B:MUSIC LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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

**Tel. No. 0121 289 6300**

**B:MUSIC LTD**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**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 2023 which are also prepared to meet the requirements for a strategic and 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 2019) - ('Charities SORP (FRS102)').

**CHAIR'S REPORT**

2022 - 2023 has been a very positive year for B:Music despite the significant financial challenges arising from a period of sustained high inflation which has made for difficult trading conditions. The charity has continued to offer an ambitious full programme of concerts and music education, and it is a testament to the hard work of our team of staff and trustees that we have been able to do this in such demanding times. Our mission to inspire a love of live music through performance, participation and learning continues to resonate, touching the lives of nearly 500,000 people.

The charity's governance continues to be in safe and committed hands through our board of trustees who meet regularly through the year. Our trustees engage with the wider staff team either when attending B:Music concerts, at our annual board Awayday or in direct collaboration through forums such as our Equality, Diversity, and Inclusion group. This year we have also established a People Committee in response to the developing staff expectations around pay and working conditions following the pandemic and the ongoing cost of living crisis. I'm pleased to report that we have welcomed several new trustees over the past months bringing new insights from various sectors across the city.

Over the summer of 2022 Birmingham welcomed thousands of visitors from around the world to the Commonwealth Games for some thrilling performances on the track, field and water. Throughout the games music was everywhere, on the TV coverage, in our halls and on open air stages around the city. I was delighted to see B:Music so heavily involved throughout this marvellous celebration that brought the whole city together.

I am so grateful to Birmingham City Council, Arts Council of England and the many trusts, foundations, individuals and corporate friends that continue to support our work.

Finally, on behalf of the Board I want to say a big thank you to our staff for their dedication, creativity and commitment to B:Music. The organisation is in good shape because of you all.



Anita Bhalla OBE, Chair, B:Music Ltd

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

**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.

**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.

**Achievements & Performance**

2022-23 has been the first full year of operation for B:Music that has been free from any operational restrictions arising from the coronavirus pandemic. However, the pandemic continues to cast a long shadow, impacting on audience demand for some genres of music, and in wider society it has prompted changing attitudes to how, where and when people work. This has impacted footfall in cities as more people adopt hybrid working patterns, and it has influenced employer's ability to recruit and retain staff where working practice is increasingly as important as pay.

In step with this, the war in Ukraine has impacted on utility costs, contributing to the highest rate of inflation since the early nineties, and widespread societal anxiety as a result. B:Music is affected both on the supply side with rising costs, particularly wage inflation, and on the demand side with disposable income falling for nearly all our audience sectors. These factors combine to reduce the margins delivered by our programme with consequent pressure on the strands of our work in which we are able to invest. Maintaining a vibrant programme of free to access music and engagement work becomes increasingly difficult when the more commercial elements of the programme are squeezed.

Despite this challenging landscape B:Music has had a very positive year, returning a surplus on unrestricted funds of approximately £20k, after the donations to funds received in the year have been added back, against a budgeted loss of £208k for the year. Although event numbers and audiences were slightly down against budget (4% and 10% respectively) resulting in a reduced event contribution, some savings on non-event costs and a successful claim of £100k against a business interruption insurance policy largely mitigated this. In addition to this an additional (un-budgeted) mid-year pay increase was given to the charity's lower paid staff, recognising the challenges that our loyal team are facing. This outturn has meant that reserves remain largely stable, although the charity is budgeting for another deficit budget in 2023-24.

In July and August Birmingham hosted the Commonwealth Games and B:Music was heavily involved in the Birmingham 2022 Festival, the cultural programme around the Games. In June Symphony Hall produced Beyond the Bricks of Brum, one of the blue riband events of the Festival, a concert that brought together the leading lights of the Birmingham musical and spoken word scene in collaboration with the BBC Symphony Orchestra. Established artists such as Casey Bailey, Sanity and B:Music

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

Associate Artists Black Voices each nominated an emerging artist to participate, embodying B:Music's commitment to talent development on one of the UK's most prestigious stages. Elsewhere in the Festival B:Music produced podcasts, programmed outdoor stages and even facilitated filming from specially designed platforms at Town Hall.

The Games brought a huge influx of visitors to the City, particularly to Centenary Square where Ozzy, the mechanical bull featured in the Games opening ceremony, was temporarily located. B:Eats, the new daytime café bar at Symphony Hall was launched in earnest during this period and benefited from great footfall from Games visitors and excellent feedback on the food offer. B:Eats continued to develop well during the year with attractive seasonal menus and a regular programme of free music and entertainment during half terms and holidays.

The new performance spaces created by the Making an Entrance capital project at Symphony Hall are now a well established part of B:Music's free and low cost programme of music. Many of these free events sell out in advance and our relationship with partners such as Beatfreeks, Celebrating Sanctuary and Sampad Arts continue to thrive alongside occasional unique events with other city partners such as Birmingham Royal Ballet. We have again delivered a full year of talent development activities with regular ensemble sessions for young musicians, emerging Jazz artists and more. Our key engagement events Community Spirit and Generation Ladywood Showcase remain an important part of the year bringing a deep programme of engagement with schools and community groups to the Symphony Hall stage for celebratory concerts.

Commercial hires continue to be an important income stream for the charity with dinners, graduations, training events and other non-concert activity making a contribution of over £0.5m to the overall trading position. Although demand for large scale conferencing remains slightly reduced, the new hospitality rooms at Symphony Hall have now gained considerable momentum as day meeting spaces with their commanding views of Centenary Square a unique point of difference to competing venues at this scale.

The programme on B:Music's main stages has continued to be both diverse and extensive with heritage artists such as James, The Levellers and Elvis Costello playing to capacity houses alongside emerging new voices like Kae Tempest and Rupi Kaur. Although music remains B:Music's core programming strand, comedy continues to thrive and spoken word events around books and podcasts have become increasingly popular.

Classical music remains an integral part of our programme with 76 performances presented by our resident orchestra the CBSO alongside our in-house B:Classical season of visiting international orchestras and ensembles. Although classical music audiences have not returned to pre-pandemic levels, B:Music remains committed to the genre and the appointment of Kazuki Yamada as incoming Chief Conductor at the CBSO is already being very positively received and bringing fresh energy to classical audience in the region. Despite Brexit, B:Music continues to work internationally as a member of the European Concert Hall Organisation, sharing best practice across Europe and hosting the Rising Stars programme which gives a platform to the finest young classical music talent from across Europe.

**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 16.

This was the first full financial year for B:Music without covid restrictions since 2019/20 and overall there were 838 events in 2022/23 including 222 in Town Hall, 613 in Symphony Hall and 3 offsite. This compares to 136 ticketed events across Town Hall and 395 onsite in Symphony Hall, 16 delivered online and 4 offsite in 2021/22.

The core grant from Birmingham City Council amounted to £1,388k (2022: £1,388k) and enables the charity to fulfil its current charitable purposes.

Expenditure in the year totalled £12,832k (2022: £10,567k). 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 commercial hires and sponsorship.

**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 28 to the consolidated financial statements.

In 2022/23 it continues to trade in the provision of food and beverage and commercial hires and saw the opening of the Symphony Hall City Cafe.

In the year BMEL made a profit of £271k after BML management fees and service charges of £723k (2022: £329k) and £85k (2022: £24k) BML hall hire. BMEL will contribute £271k (2022: £113k) in gift aid to the charity within nine months of the year end.

**Principal funding sources**

The principal ongoing funding source for the charity is rental and admission income, contributing 51% (2022: 47%) of the unrestricted income. The grant received from Birmingham City Council constituted 11% (2022: 13%) of unrestricted income this year. The charity received £45k (2022: £620k) in funding for Making An Entrance this year.

**Principal Related party**

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

**Investment policy and performance**

The funds available for the charity to invest comprise 59% advance box office receipts and 41% 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 2023 £904k (2022: £2,525k) was held on a 60 day notice account yielding 0.70% (2022: 0.30%) during the year. There was also a balance of £1,637k (2022: £nil) held in a 12 month fixed rate saver account yielding 0.7%.

**Pay policy**

The key management personnel are responsible for the running, controlling, and operating of the charity on a day-to-day basis. Recruitment is carried out by the Head of HR and the relevant heads of department in line with the Pay Policy Framework.

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.

## **REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

### **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 2023 was £12,235k with £11,869 (2022: £12,887k with £12,403k) of this balance representing donations which were used to fund the foyer extension (Making An Entrance) and purchase the Symphony Hall organ and other assets and, as such, do not represent 'cash' items. A further £152k (2022: £155k) 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 20 to the accounts.

### **Unrestricted Fund**

The Unrestricted Fund relates to carrying out the charity's general objectives. The Trustees 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 Trustees 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 BML to maintain high standards of design and decoration at both venues and have therefore designated £915k of funds for current and future Long Term Maintenance projects.

The 'Designated' Funds at 31 March 2023 totalled £975k (2022: £1,455k), including £915k (2021: £1.2m) for future building maintenance commitments for Town Hall and Symphony Hall and £0k (2022: £45k) for Making An Entrance activity, details of which are set out on page 7.

The 'General Reserve' fund has a balance of £1,284k (2022: £831k).

### **Fundraising**

The fundraising team consists of four permanent members of staff who raise money from trusts and foundations, individuals and companies. This year in December the fundraising team ran a 'December to Remember' campaign with the aim of creating 10,000 musical memories for young or vulnerable children. The campaign was very successful raising over £45,000.

In October 2021 Buffalo Fundraising Consultants were appointed to conduct a telephone campaign to welcome regular customers and donors back to our venues, increase awareness of our rebrand and charitable objectives and to raise funds for our learning, participation and community engagement projects. 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 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.

Number of complaints about fundraising activity - nil.

### **Supporting B:Music**

Over the past 13 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 earned about 90% of its income compared to about 75% 10 years ago. This financial year B:Music achieved earned income of 87% compared to 68% during 2021/22.

For the second year running, Birmingham City Council relaxed reporting requirements in the Conditions of Grant Agreement (COGA) and maintained cultural grants at existing levels.

Revenue fund-raising, due to the support of our patrons and general public, was able to surpass targets for memberships and unrestricted income achieving £59k (membership and patron income) and £174k (unrestricted donations and gift aid). Overall, 75% of an ambitious philanthropic budget was achieved.

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

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

**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.

These are the main areas of risk affecting the charity:

**Post-Pandemic behavioural change**

Despite the lifting of all formal restrictions, the pandemic has left a legacy of changed behaviours which impact on the charity.

**Concert Programme:** There remains some ongoing instability in the live events sector causing events to cancel or reschedule, impacting both income and audience confidence. As artists try to recoup two years of lost touring income there is also the possibility of over-supply, with audiences for artists that tour regularly likely to dwindle, as ticket buyers prioritise more unique events. The charity is now re-modelling the yields arising from different event types to optimise the programme for an uncertain market over the next couple of years.

**Conferences and Events:** The move to virtual or hybrid meetings over the pandemic has impacted the in-person conference market which is yet to return to pre-pandemic levels. This places a small but profitable part of the charity's events programme at ongoing risk.

**Audiences:** There is clear evidence that audiences for some genres of music have been slower to return post-pandemic than others. This is most evident with classical music which on average attracts the oldest audience. This directly affects B:Music's income both from directly promoted classical concerts and from those presented by the CBSO.

**Recruitment and people:** The switch to home working during the pandemic has prompted a hard reset on expectations in the labour market with existing and prospective staff viewing an element of home working almost as a right rather than a benefit. B:Music has an informal hybrid working policy which addresses this but nonetheless the charity still competes with other employers who can offer more relaxed expectations around working on site. Although the worst of the post-pandemic disruption in the casual labour market (stewards, bar staff and technicians) has abated, the charity is still vulnerable to market forces meaning that staffing events can sometimes be precarious.

**Politics and the economy**

A sustained period of high inflation is significantly impacting B:Music's staff and customers, with many likely to experience significant mortgage rate increases over the coming year on top of unprecedented inflation in food and fuel costs.

This climate compounds specific post pandemic issues with a fundamental challenge to the affordability of concerts. The likelihood of reduced consumer spending on non-essentials such as leisure activities poses a significant risk.

**City Centre issues**

As hybrid working becomes normalised across many white-collar industries, footfall in the city centre has reduced from pre-pandemic levels with a possible impact on B:Music's daytime trading. Similarly there may be less city workers around to enjoy a concert after work. The emergence of a Tuesday to Thursday on site working pattern across the city is clearly evidenced in receipts for the B:Eats café bar at Symphony Hall.

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 by the introduction of the Clean Air Zone ("CAZ") in June 2021 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.

## **REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

### **Birmingham City Council Grant**

B:Music receives a discretionary annual grant of c. £1.3m from Birmingham City Council, nominally to cover the rent and service charges attributable to Symphony Hall arising from its position as part of the wider ICC building. As these service costs increase and the grant remains static, it is likely that this grant will fail to cover those costs within the next couple of years. This is a significant risk to the charity. B:Music is seeking to renegotiate the flow of funds to protect the charity's financial position.

In July 2023 it emerged that Birmingham City Council could be liable for up to £760m in equal pay claims and its press statement notes "*there will be significantly fewer resources available in the future compared to previous years and we will need to reprioritise where we spend taxpayers' money*" This constitutes a significant risk to B:Music's annual grant.

### **Reserves and maintenance**

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 the charity's financial strategy. Long Term Maintenance expenditure as at the balance sheet date still to be depreciated amounted to £377k. This is the first call on the Buildings Maintenance Reserve 'Designated' Funds of £915k, leaving £538k for future projects.

### **Terror threat**

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.

### **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 2023 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 £5m (2022: £3k cost and £2m cover).

## **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.

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

**Funding Review**

Birmingham City Council has always placed great value on culture in the city and the organisations that promote the arts - 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 recent 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 during 2020-21 delayed our ability to unlock the financial potential of the new facilities and set the planning timeline back significantly. The asset was finally brought into economic use on 1 September 2021.

During the Covid pandemic, Birmingham City Council elected for the arts funding support to remain at 2020-21 levels to allow planning to continue unimpeded. A static grant has continued in 2022-23 and 2023-24.

The five-year plan is now being rebased for a recovery period and public confidence to return.

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**

**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  
People Committee

**Trustee Constitutional Provisions**

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

**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	9 December 2022
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 Davinderpal Bansal	19 February 2015	
Councillor Ewan Forbes Mackey	24 July 2015	
Councillor Alexander George Aitken	6 July 2018	9 December 2022
Ms Helen Elizabeth Bates	1 April 2017	17 June 2022
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	15 February 2023
Sir Albert Bore	2 February 2023	
Mr Praveen Gupta	27 April 2023	

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 David John Richardson Pardoe	26 November 2015	
Ms Claire Evans	1 April 2017	
Mr Anthony Roger Howard	1 August 2019	
Ms Katherine Elizabeth Rouse	1 August 2019	8 June 2022
Mr Andrew James Buckley	27 April 2023	
Ms Simranjeet Kaur	27 April 2023	
Mr Shaun Anselm Soojoo	27 April 2023	

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**

**Senior Management Team**

Mr Nick Reed (CEO)  
Mr Nick Loveland (COO)  
Mrs Janine Bradley (Director of Finance)  
Mrs Nicole Evans (Director of Commercial Services)  
Mr Richard Loftus (Director of Sales and Marketing) (Resigned 22 December 2021)

**Principal Place of Business and Advisers**

**Registered Office:** B:Music Ltd, Symphony Hall, 8 Centenary Square, Birmingham, B1 2EA.  
**Independent Auditor:** Cooper Parry Group Limited, Office 401, 4<sup>th</sup> Floor, 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

**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 ('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.

**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.

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**

**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. There were no volunteers during the year ended 31 March 2023 (2022: nil).

**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.

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**

**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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 (FRS102);
- make judgements and estimates that are reasonable and prudent; 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 adequate 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 7 September 2023 and signed on their behalf by:



Anita Bhalla OBE  
Chair

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF B:MUSIC LTD

### Opinion

We have audited the financial statements of B:Music Limited ("the parent charitable company") and its subsidiary ("the group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 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 parent charitable company's affairs as at 31 March 2023, and of the group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### 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 parent charitable company 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 and parent charitable company'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 Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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**

**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' Annual Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (incorporating the strategic report and the directors' report) has been prepared in accordance with legal requirements.

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

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (incorporating the strategic report and the directors' 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 accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company'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 Statement of Trustees' Responsibilities, the trustees 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 parent charitable company'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 company or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with this Act.

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

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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below:

Our assessment focussed on key laws and regulations the group and parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Trustee Act 2000, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, Health and safety legislation and employment legislation.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF B:MUSIC LTD**

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company and how the group and parent charitable company are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and parent charitable company's control environment and how the group and parent charitable company have applied relevant control procedures, through discussions with management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Statutory Auditor  
Cubo Birmingham  
Office 401, 4<sup>th</sup> Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX

Date: 20 September 2023

**B:MUSIC LTD**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

		2023	2023	2023	2022	2022	2022
		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	48	177	225	34	182	216
Charitable activities:							
Rental & admissions	3a	-	6,151	6,151	-	5,103	5,103
Grants receivable	4	192	1,400	1,592	834	2,458	3,292
Other charitable activities	3b	-	1,653	1,653	-	960	960
Other trading activities	5	-	2,498	2,498	-	1,280	1,280
Investments	6	-	34	34	-	13	13
<b>Total</b>		<b>240</b>	<b>11,913</b>	<b>12,153</b>	<b>868</b>	<b>9,996</b>	<b>10,864</b>
<b>Expenditure on:</b>							
Raising funds:							
Commercial trading operations	7	-	(1,428)	(1,428)	-	(827)	(827)
Fundraising	7	-	(166)	(166)	-	(108)	(108)
Charitable activities	7	(892)	(10,346)	(11,238)	(582)	(9,050)	(9,632)
<b>Total</b>		<b>(892)</b>	<b>(11,940)</b>	<b>(12,832)</b>	<b>(582)</b>	<b>(9,985)</b>	<b>(10,567)</b>
<b>Net (loss)/income for the year</b>		<b>(652)</b>	<b>(27)</b>	<b>(679)</b>	<b>286</b>	<b>11</b>	<b>297</b>
Transfers between funds	19/20	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(652)</b>	<b>(27)</b>	<b>(679)</b>	<b>286</b>	<b>11</b>	<b>297</b>
Fund balances brought forward at 1 April 2022		12,887	2,286	15,173	12,601	2,275	14,876
Fund balances carried forward at 31 March 2023		12,235	2,259	14,494	12,887	2,286	15,173

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 37 form part of these financial statements

**B:MUSIC LTD (Company No. 03169600)**  
**GROUP AND CHARITY BALANCE SHEETS**  
**AS AT YEAR ENDED 31 MARCH 2023**

	Note	Group		Charity	
		2023	2022	2023	2022
		£000	£000	£000	£000
<b>Fixed Assets</b>					
Intangible fixed assets	12	69	88	69	88
Tangible fixed assets	13	13,363	13,723	13,363	13,723
<b>Total Fixed Assets</b>		<b>13,432</b>	<b>13,811</b>	<b>13,432</b>	<b>13,811</b>
<b>Current Assets</b>					
Stocks	14	33	27	-	-
Debtors	15	1,116	1,506	951	1,292
Cash Investments		2,540	2,525	2,540	2,525
Cash at bank and in hand		3,102	4,105	2,979	4,019
<b>Total Current Assets</b>		<b>6,791</b>	<b>8,163</b>	<b>6,470</b>	<b>7,836</b>
Creditors - amounts falling due within one year	17a	(4,672)	(5,850)	(4,602)	(5,613)
<b>Net Current Assets</b>		<b>2,119</b>	<b>2,313</b>	<b>1,868</b>	<b>2,223</b>
Creditors - amounts falling due after one year	18	(620)	(646)	(620)	(646)
Provisions for liabilities	19	(437)	(305)	(437)	(305)
<b>Net Assets</b>		<b>14,494</b>	<b>15,173</b>	<b>14,243</b>	<b>15,083</b>
<b>The Funds of the Charity:</b>					
Restricted Income Funds	20	12,235	12,887	12,235	12,887
Unrestricted Income Funds					
Designated funds	21	975	1,455	975	1,455
General reserve	21	1,284	831	1,033	741
<b>Total Unrestricted Income Funds</b>		<b>2,259</b>	<b>2,286</b>	<b>2,008</b>	<b>2,197</b>
<b>Total Charity Funds</b>		<b>14,494</b>	<b>15,173</b>	<b>14,243</b>	<b>15,083</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 includes £10,562k (2022: £9,923k) of income and £11,402k (2022: £9,740k) of expenditure relating to the charity resulting in net expenditure of £840k (2022: net income of £183k).

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

Ms Anita Bhalla OBE



Date: 7/09/2023

The notes on pages 19 to 37 form part of these financial statements

**B:MUSIC LTD**  
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
**AS AT 31 MARCH 2023**

	Notes	2023 £000	2022 £000
<hr/>			
Cash flows (used)/from operating activities:			
Net cash provided by operating activities	23	<u>(604)</u>	<u>1,622</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		34	12
Purchase of property, plant and equipment		<u>(353)</u>	<u>(634)</u>
Net cash (used in) investments:		<u>(319)</u>	<u>(622)</u>
Cash flows from financing activities			
Repayment of borrowings		<u>(65)</u>	<u>(57)</u>
		(65)	(57)
Change in cash and cash equivalents in the reporting period		(988)	943
Cash and cash equivalents at 1 April 2022		<u>6,630</u>	<u>5,687</u>
Cash and cash equivalents at 31 March 2023	24	<u>5,642</u>	<u>6,630</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 (January 2022) (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 consolidated 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.

### 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.

### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any discounts. Prepayments are valued at the amount prepaid net of any discounts.

### **Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

**1. Accounting policies - continued**

**Stocks**

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

**Deferred Income**

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

**Cash and Bank Balances**

Cash and bank balances includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

**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.

3. Income from charitable activities

(a) Rental and admissions

	2023	2022
	£000	£000
<b>Rental</b>		
City of Birmingham Symphony Orchestra	366	397
Local music users	30	36
Third party promoters	868	427
Other	0	41
	<b>1,264</b>	<b>901</b>
<b>Admissions</b>		
Birmingham Classical	119	9
Promoted and co-promoted events	4,768	4,193
	<b>4,887</b>	<b>4,202</b>
	<b>6,151</b>	<b>5,103</b>

(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

		2023	2022
		£000	£000
Core grant	(a)	1,388	1,388
Cultural Recovery Fund grant	(b)	0	810
Coronavirus Job Retention Scheme grant	(c)	0	233
Other grants	(d)	204	861
		<b>1,592</b>	<b>3,292</b>

- (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 to enable its economic survival post Covid in the prior year, no such funding was available in 2022/23.
- (c) The charity was awarded Coronavirus Job Retention Scheme grant in respect of staff furloughed during the coronavirus pandemic in the prior year, no such funding was available in 2022/23.
- (d) This comprises grants received from several individuals, trusts, foundations and other grant giving organisations. The charity was awarded a grant from the Arts Council England to enable B:Music Ltd to fulfil its charitable aims and objectives in relation to the Let's Create Strategy as a National Portfolio Organisation.

**B:MUSIC LTD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**5. Income from other trading activities**

	2023	2022
	£000	£000
Catering income	1,661	896
Sponsorship income	78	78
Merchandise income	-	5
Rentals	759	301
	<b>2,498</b>	<b>1,280</b>

**6. Investments**

	2023	2022
	£000	£000
Bank interest	34	13

## 7. Expenditure

		Staff £000	Direct £000	Support £000	2023 £000
Raising funds	- commercial trading	630	641	157	1,428
	- fund raising	166	-	-	166
Charitable activities	- concert and educational programmes	2,453	4,943	3,811	11,207
	- governance costs	11	-	20	31
Total expenditure		<u>3,260</u>	<u>5,584</u>	<u>3,988</u>	<u>12,832</u>

		Staff £000	Direct £000	Support £000	2022 £000
Raising funds	- commercial trading	377	345	105	827
	- fund raising	108	-	-	108
Charitable activities	- concert and educational programmes	2,040	4,044	3,527	9,611
	- governance costs	10	-	11	21
Total expenditure		<u>2,535</u>	<u>4,389</u>	<u>3,643</u>	<u>10,567</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:

	2023 £000	2022 £000
Auditor's remuneration - audit fees	20	17
- non audit fees	2	2
Operating leases - plant and machinery	6	6
Operating leases - land and buildings	46	46
Depreciation - owned tangible fixed assets	713	491
Amortisation - owned intangible fixed assets	19	20

## 8. Employee information

The average headcount of core employees was 60 (2022:49) 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

	2023	2022
	£000	£000
Wages and salaries	2,968	2,323
Social security costs	223	163
Other pension costs	69	49
	<b>3,260</b>	<b>2,535</b>

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:

	2023	2022
	Number	Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

Emoluments for this purpose include gross salary and benefits in kind and are stated before taking account of charges made to third parties.

### Staff numbers

	2023	2022
	Number	Number
<b>By Activity</b>		
Charitable activities	232	194
Cost of generating funds	7	7
	<b>239</b>	<b>201</b>

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

### Key Management Personnel

	2023	2022
	£000	£000
Total remuneration (charity and group)	393	421

Key management personnel comprise five employees (2021: six employees with a member of the team leaving on 22 December 2021).

### Redundancy and Termination Payments

There were no termination payments during the year (2022: one, £25k discretionary).

There were no liabilities in respect of redundancy and termination payments at the balance sheet date (2022: nil).

### 9. Trustees' remuneration

The Chairman of the Trustees received remuneration during the year of £10k (2022: £10k).

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 (2022: £nil).

There are no retirement benefits paid to Trustees (2022: 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:

	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
	Sale of goods and services		Purchase of goods and services		Grant Income	
Birmingham City Council	622	673	867	852	1,388	1,388

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 2023 was £1k (2022: £8k).  
 The amount due from Birmingham City Council at 31 March 2023 was 110k (2022: nil).

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

Councillor Alexander 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 17 June 2022. She is a director of the Greater Birmingham Chambers of Commerce and a board member of St Basil's.

Mr Vidar Hjordeng is a trustee of BML. He is the Diversity Consultant at ITV News.

Mr Oluwamayokun Alonge is a trustee of BML. He is a trustee of The Equal Group Corporation Limited.

Mr Davinderpal Bansal is a trustee of BML. He is a director of GHA (Property) Limited and Glenn Howells Architects Limited and designated member of GHA Services LLP.

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. Her spouse is Chair of SAMPAD South Asian Arts and Heritage.

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.

Sir Albert Bore is a Trustee of BML. He is a director of Westside Partnership Limited, Colmore Business District Limited and CSR City Limited.

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	
		2023	2022	2023	2022
		£000	£000	£000	£000
<b>Received from</b>					
Glenn Howells Architects Limited	Owed £nil (2022:£nil)	1	1	-	-
Browne Jacobson (trade exchange)	Owed £nil (2022:£nil)	14	24	-	-
Browne Jacobson (other)	Owed £nil (2022:£nil)	4	-	-	-
University of Birmingham Greater Birmingham and Solihull Local Enterprise Partnership Limited	Owed £2k (2022:£3k)	2	3	-	-
Colmore Business District Limited	Owed £nil (2022:£nil)	-	3	-	-
SAMPAD South Asian Arts and Heritage Anita Bhalla	Owed £nil (2022:£nil)	18	-	-	-
	Owed £nil (2022:£nil)	10	-	-	-
	Owed £nil (2022:£nil)	1	-	-	-
<b>Paid to</b>					
Browne Jacobson (other)	Owed £5k (2022:£nil)	5	31	-	-
SAMPAD South Asian Arts and Heritage Greater Birmingham Chamber of Commerce	Owed £nil (2022:£nil)	-	2	-	-
The Equal Group Corporation Limited	Owed £1k (2022:£nil)	1	1	-	-
ITV News	Owed £nil (2022:£6k)	6	19	-	-
Music Beyond Mainstream	Owed £nil (2022:£nil)	1	-	-	-
	Owed £nil (2022:£1k)	2	1	-	-

During the year BML received a total of £10k (2022: £15k) in restricted donations from organisations connected to related parties.

**11. Taxation and charitable status**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

## 12. Intangible fixed assets - Group and Charity

	Total 2023 £000
<b>Cost:</b>	
1 April 2022 and 31 March 2023	143
<b>Accumulated depreciation:</b>	
At 1 April 2022	(55)
Provided during year	(19)
At 31 March 2023	(74)
<b>Net book value of assets as at 31 March 2023</b>	<b>69</b>
Net book value of assets as at 31 March 2022	88

Intangible fixed assets comprise software and IT system licences.

## 13. Tangible fixed assets - Group and Charity

	2023 £000	2023 £000	2023 £000	2023 £000
	Leasehold Buildings	SH Organ Project	Other	Total
<b>Cost:</b>				
At 1 April 2022	12,592	1,294	2,269	16,155
Additions	-	-	353	353
Transfer	-	-	-	-
At 31 March 2023	12,592	1,294	2,622	16,508
<b>Accumulated depreciation:</b>				
At 1 April 2022	(256)	(1,098)	(1,078)	(2,432)
Provided during year	(439)	(54)	(220)	(713)
At 31 March 2023	(695)	(1,152)	(1,298)	(3,145)
<b>Net book value of assets as at 31 March 2023</b>	<b>11,897</b>	<b>142</b>	<b>1,324</b>	<b>13,363</b>
Net book value of assets as at 31 March 2022	12,336	196	1,191	13,723

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**14. Stocks**

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Finished goods - Catering	33	27	-	-

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.

**15. Debtors**

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£000	£000	£000	£000
<b>Amounts Falling Due Within One Year</b>				
Trade debtors	644	526	399	295
Other debtors	2	29	2	8
Value Added Tax	(27)	134	56	177
Prepayments	489	490	486	487
Accrued income (note 16)	8	327	8	325
	<b>1,116</b>	<b>1,506</b>	<b>951</b>	<b>1,292</b>

**16. Accrued Income**

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£000	£000	£000	£000
Accrued income brought forward	327	223	325	223
Released in the year	(327)	(223)	(325)	(223)
Accrued in the year	8	327	8	327
Accrued income carried forward	<b>8</b>	<b>327</b>	<b>8</b>	<b>325</b>

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

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade creditors	206	536	129	461
Secured loan	25	37	25	37
Amounts owed to group undertakings: BMEL	-	-	275	198
Taxation and social security	54	54	54	54
Other creditors	2,025	2,221	2,014	2,103
Accruals	708	1,065	646	995
Deferred income	1,654	1,937	1,459	1,765
	<b>4,672</b>	<b>5,850</b>	<b>4,602</b>	<b>5,613</b>

**Deferred Income**

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Deferred income brought forward	1,937	2,430	1,765	2,314
Released in the year	(1,796)	(1,749)	(1,654)	(1,755)
Deferred in the year	1,513	1,256	1,348	1,206
Deferred income carried forward	<b>1,654</b>	<b>1,937</b>	<b>1,459</b>	<b>1,765</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 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Secured loan:				
Due within 2 to 5 years	112	108	112	108
Due after 5 years	508	538	508	538
	<b>620</b>	<b>646</b>	<b>620</b>	<b>646</b>

The long term borrowing relates to a secured loan repayable quarterly over a 20 year term with a fixed interest rate of 4.165% per annum.

## 19. Provisions for liabilities

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Amounts owing to BCC	437	305	437	305

The provision relates to amounts potentially owing to Birmingham City Council in relation to insurance and service charges as calculated under the terms of the sub-lease that the charity occupies at Symphony Hall. The amounts provided for are the best estimate of the charity's liability as at 31 March 2023, taking into account historic invoices, a consideration of the sub-leases in effect during the relevant periods and professional advice and support from the charity's solicitors.

## 20. Restricted income funds

		Balance 1 April 2022 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2023 £000
Organ construction	(1)	196	-	(54)	-	142
Organ maintenance	(2)	155	4	(7)	-	152
Community Spirit (Sing for all)	(3)	2	13	(8)	-	7
Generation Ladywood projects	(4)	140	17	(82)	-	75
Project soundlounge	(5)	24	-	(13)	-	11
Jazzlines projects	(6)	60	139	(175)	-	24
Small education projects	(7)	2	-	-	-	2
Small non-education projects	(8)	94	22	(79)	-	37
Steinway Piano fund	(9)	55	-	(4)	-	51
Capital campaign	(10)	12,159	45	(470)	-	11,734
		12,887	240	(892)	-	12,235

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 several smaller projects to support the education and community programme.
- (8) Funding for several ad hoc projects.
- (9) Funding for the new Steinway piano
- (10) Funding for 'Make an Entrance' - the capital project to extend the performance and hospitality space at Symphony Hall.

## 20. Restricted income funds (cont.)

		Balance 1 April 2021 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2022 £000
Organ construction	(1)	249	-	(53)	-	196
Organ maintenance	(2)	151	4	-	-	155
Community Spirit (Sing for all)	(3)	9	4	(11)	-	2
Generation Ladywood projects	(4)	142	-	(2)	-	140
Project soundlounge	(5)	24	-	-	-	24
Jazzlines projects	(6)	109	107	(156)	-	60
Small education projects	(7)	5	-	(3)	-	2
Small non-education projects	(8)	67	78	(51)	-	94
Steinway Piano fund	(9)	-	55	-	-	55
Capital campaign	(10)	11,845	620	(306)	-	12,159
		12,601	868	(582)	-	12,887

## 21. Unrestricted income funds

		Balance 1 April 2022 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2023 £000
<b>Designated Funds</b>						
General education	(1)	3	1	-	(4)	-
Organ education	(2)	30	-	(3)	(27)	-
Building maintenance reserve	(3)	1,209	-	(39)	(255)	915
Music in Birmingham	(4)	58	-	-	(58)	-
Making an Entrance	(5)	45	-	-	(45)	-
TSHS COVID-19 relief	(6)	45	1	-	(46)	-
Steinway funds	(7)	65	-	(5)	-	60
		1,455	2	(47)	(435)	975
General reserve	(8)	831	11,911	(11,893)	435	1,284
<b>Total Unrestricted</b>		<b>2,286</b>	<b>11,913</b>	<b>(11,940)</b>	<b>-</b>	<b>2,259</b>

## 21. Unrestricted income funds (cont.)

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 current and future depreciation 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) Funding for the Steinway piano.
- (8) The general reserve represents unrestricted funds. There have been several transfers from the designated funds to the general fund at year end after a review of fund balances and the amounts needed going forward. This was due to them relating to historical designated pots which are no longer needed. It was also felt the transfer of £300k to the Building Maintenance pot in 2019 was no longer needed and as a result the amount was moved back to the General Reserve.

	Balance				Balance
	1 April	Income	Amounts	Transfers	31 March
	2021		utilised		2022
	£000	£000	£000	£000	£000

### Designated Funds

General education	(1)	2	1	-	-	3
Organ education	(2)	30	-	-	-	30
Building maintenance reserve	(3)	1,288	-	(14)	(65)	1,209
Music in Birmingham	(4)	58	-	-	-	58
Making an Entrance	(5)	45	-	-	-	45
THSH COVID-19 relief	(6)	30	15	-	-	45
Steinway funds	(7)	-	-	-	65	65
		1453	16	(14)	-	1455
General reserve	(8)	822	9,980	(9,971)	-	831
<b>Total Unrestricted</b>		<b>2,275</b>	<b>9,996</b>	<b>(9,985)</b>	<b>-</b>	<b>2,286</b>

## 22. Analysis of total funds

	Unrestricted Funds £000	Restricted Funds £000	2023 £000
<b>Analysis of type of asset and liability</b>			
Intangible fixed assets	69	-	69
Tangible fixed assets	1,494	11,869	13,363
Current assets	6,425	366	6,791
Creditors falling due within the year (including provisions)	(5,109)	-	(5,109)
Creditors falling due after one year	(620)	-	(620)
	<b>2,259</b>	<b>12,235</b>	<b>14,494</b>

	Unrestricted Funds £000	Restricted Funds £000	2022 £000
<b>Analysis of type of asset and liability</b>			
Intangible fixed assets	88	-	88
Tangible fixed assets	1,320	12,403	13,723
Current assets	7,679	484	8,163
Creditors falling due within the year	(6,155)	-	(6,155)
Creditors falling due after one year	(646)	-	(646)
	<b>2,286</b>	<b>12,887</b>	<b>15,173</b>

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

	2023 £000	2022 £000
Net (loss)/income for the reporting period	(679)	297
<b>Adjustments for:</b>		
Depreciation and amortisation charges	732	511
Dividends, interest and rents from investments	(34)	(13)
(Increase) in stock	(6)	(27)
(Increase) / decrease in debtors	390	(520)
Increase in creditors and provisions	(1,034)	1,345
Interest paid	27	29
<b>Net cash provided by operating activities</b>	<b>(604)</b>	<b>1,622</b>

**24. Analysis of cash and cash equivalents**

	31 March 2023 £000	31 March 2022 £000
Cash at bank and in hand	3,102	4,105
Cash investments	2,540	2,525
	<b>5,642</b>	<b>6,630</b>

**25. 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 £69k (2022: £49k). Unpaid pension contributions at the year end totalled £15k (2022: £13k).

**26. Operating lease commitments**

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

	Plant & Equipment		Land & Buildings	
	2023 £000	2022 £000	2023 £000	2022 £000
1 year	6	6	46	46
2 to 5 years	24	11	185	162
Over 5 years	-	-	1,062	1,108

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. The lease premium has been capitalised and is included in "Land and Buildings" 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.

**27. 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.

## 28. Subsidiary Company

BML owns the entire 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 2023 is shown below:

	2023	2022
	£000	£000
Income	2,507	1,291
Expenditure	(2,236)	(1,180)
Other operating income	-	2
Taxation	-	-
<b>Operating profit</b>	<b>271</b>	<b>113</b>
Retained profit brought forward	89	(24)
Gift Aid to BML	(108)	-
<b>Retained profit carried forward</b>	<b>252</b>	<b>89</b>
Assets	679	567
Liabilities	(427)	(478)
<b>Net Assets</b>	<b>252</b>	<b>89</b>

## 29. Capital commitments

At 31 March 2023 there were no capital commitments (2022: £82k).

## 30. 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.

## 31. Events subsequent to the year end

On 5 September 2023, Birmingham City Council, a related party and major funder to the charitable group, issued a section 114 notice as part of its plans to meet the Council's financial liabilities. Amongst other measures, this requires the City Council to cease all non-essential expenditure and reduce the Council's operational and service delivery costs immediately.

The Board is actively engaged with the officers and the Cabinet Member for Digital, Culture, Heritage and Tourism at the City Council and are monitoring the situation closely.

