

B:MUSIC LTD

England & Wales · Charity number 1053937

Details

Other names PERFORMANCES BIRMINGHAM LIMITED, SYMPHONY HALL (BIRMINGHAM) LTD, SYMPHONY HALL

Status Registered

Legal form Charitable company

Company number [03169600](#)

Registered 1996-03-21

Register [View on the Charity Commission register](#)

Contact

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Symphony Hall
8 Centenary Square
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B1 2EA

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Activities

Objects: 1. TO EDUCATE THE PUBLIC BY PROMOTING, FOSTERING AND ENCOURAGING THE KNOWLEDGE, UNDERSTANDING AND APPRECIATION OF THE ARTS AND IN PARTICULAR THE ART OF MUSIC. 2. TO EDUCATE AND TRAIN YOUNG PERSONS IN THE PERFORMANCE AND COMPOSITION OF MUSIC AND MUSIC DRAMA AND TO PROMOTE THE RECOGNITION AND ENCOURAGEMENT OF EXCEPTIONAL MERIT.

Activities: (1) 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,(2) 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.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin

Geography

- **Area of benefit:** IN PRACTICE THE MIDLANDS
- Birmingham City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£13,610,832	£13,432,406	£14,135,885	247
2024-03-31	£12,370,476	£12,907,452	£13,957,459	244
2023-03-31	£12,153,130	£12,831,299	£14,494,435	239
2022-03-31	£10,864,000	£10,567,000	£15,173,000	201
2021-03-31	£9,565,000	£5,214,000	£14,876,000	250

Trustees

Name	Role	Appointed
ANITA BHALLA	Chair	
Anthony Roger Howard		2019-08-01
Claire Evans		2017-04-01
Councillor Kenneth Wood		2025-07-17
IAN MYATT		
James Tait		2014-01-13
Jatinder Kaur		2023-12-01
Joel Blake		2014-06-19
Praveen Gupta		2023-04-27
VIDAR HJARDENG		

B:MUSIC LTD

England & Wales - Charity number 1053937

Accounts

Charity Registration Number: 1053937
Company Registration Number: 03169600

B:MUSIC LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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

Tel. No. 0121 289 6300

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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 2025 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

I am delighted to introduce the financial results and artistic achievements of what has been another very positive year for B:Music, one that has seen the charity continue to thrive despite the many challenges in the wider city of Birmingham. We continue to be one of the pivotal cultural organisations in the region and our ambition is undimmed.

For a second year running B:Music has substantially improved its budgeted profit and loss position over the course of the year, allowing us to maintain the solid reserves essential for the long-term stability of the charity. With Symphony Hall and Town Hall now 34 and 189 years old respectively, the need to provide for the maintenance of these wonderful buildings is ever present, and an important part of our reserves policy. Over the coming year we will be undertaking Amplify Town Hall our capital plan to improve sustainability, access and comfort in Town Hall. This will entail a major public fund-raising campaign, matched by a significant capital sum from B:Music's reserves, and grants from trusts and foundations. In parallel with the physical work, we will be creating a brand-new digital archive charting the rich history of Town Hall through artefacts and oral histories. We will be working in the community with a team of volunteers to explore and showcase the role that Town Hall has played over the years in music, politics and social history. We are very grateful for the generous support of the National Heritage Lottery Fund in supporting this element of the project.

Over the past year B:Music has continued to make a big impact on the lives of the young people and communities that we work with through our engagement programmes. We now have a well-established pathway stretching from first musical experiences in local schools through to paid opportunities for emerging professional musicians that have been on that journey. All the while the programme on our main stages provides inspiration for these young people as leading artists from around the world come to Birmingham. We are fund raising hard to support bursaries for participants, and we continue to offer free and low-priced tickets to events when we can.

I am grateful to B:Music's trustees who work throughout the year to give considered oversight to the operation of the charity, and active support to the staff team. We have a great range of expertise and skill within our trustees creating a productive and helpful dialogue with the executive. I am grateful too to the Arts Council of England for our continued status as a National Portfolio Organisation, and to the many trusts and foundations that support our work on a project-by-project basis. Most of all however I am grateful to the community of staff, artists, audiences and wider stakeholders who continue to keep faith in the transformative power of music.



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

2024-25 has been an outstanding year for B:Music financially, with an unrestricted surplus of £624k substantially exceeding the budgeted figure for the year and allowing the charity to contribute to a solid reserves position. This is even more encouraging as it has been achieved despite reduced support from Birmingham City Council which has impacted both B:Music and the wider cultural community in Birmingham. Sadly, Britain's second city now makes no direct investment in culture which underlines the importance of the commercially driven but charitably focussed model that B:Music has developed over the past 10 years.

B:Music has outperformed targets on its key financial metrics delivering strong trading contribution across both events and food & beverage. B:Music has always operated all its bars and catering activity in-house, and this has continued to be an important part of the overall business model. Symphony Hall's café bar - B:Eats has continued to thrive, generating daytime income, but more importantly opening up the building to visitors who might not be attending evening concerts. B:Eats offers free live music at lunchtimes in regular slots during the year as well as hosting ad hoc events such as the acclaimed music photography exhibition in partnership with Abbey Road studios.

B:Music remains one of the busiest live music organisations in the UK with over 800 events taking place in the past year across Symphony Hall, Town Hall and with partners in the community. The programme on our main stages has been the typical broad mix of classical, rock, pop, blues, soul, country and more. Although music forms the vast majority of the programme, comedians, podcasters, writers and vloggers are an important part of the mix too. Highlights included Alison Moyet, The Pretenders, Squeeze, Pat Metheny, Jamie Cullum, Bellowhead and Van Morrison. Steve Earle's show at Town Hall was particularly notable for Bruce Springsteen dropping in to see his old friend perform. Classical music audiences were the slowest segment to return post pandemic but the past year has seen a steady return, both for the CBSO and in tickets sold for Birmingham Classical, B:Music's season of visiting orchestras. In the Jennifer Blackwell Performance Space our commitment to free and low-priced music has been sustained by our regular Free Jazz Fridays and global music with our Midday Mantra and

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Celebrating Sanctuary seasons. In addition to regular free gigs, the Jennifer Blackwell Performance Space is increasingly able to sustain paid-for performances, with artists responding positively to the intimate, almost in the round dynamic of the space.

The ongoing success of B:Music is driven by the engagement, skill and happiness of its staff team, both those on the permanent payroll and the hundreds of casual staff that support concert nights in operational roles. The B:Music staff forum - B:Heard - is the formal environment in which the executive team and representatives of the wider staff meet to discuss and develop policies that support staff engagement, progression and welfare, and this group has been active during the year. A particular focus this year has been on terms and conditions, and negotiation over the year has resulted in a significant increase in maternity and paternity allowances which will better support B:Music's team that are starting or extending families. As a charity B:Music is not always able to compete head on with other employers in salaries offered, so improvements where possible in terms and conditions are important.

36% of B:Music's current permanent staff started with the charity as members of the casual team, and 27% of permanent staff have progressed internally to more senior roles. 50% of the recent cohort of apprentices have progressed to permanent positions at B:Music with the other half securing permanent roles elsewhere. Many participants in our talent development projects start as students, progress as mentors and return as freelance tutors, building continuity and pathways in our music education activity.

Despite the ongoing financial turmoil and cuts to services in the wider city, B:Music has thrived over the past year, robustly delivering on its charitable mission to inspire a love of live music through performance, participation and learning.

Financial review

The results of the charity for the year are set out in the Consolidated Statement of Financial Activities on page 15.

This year delivered 896 events including 257 in Town Hall, 576 in Symphony Hall and 63 offsite. This compares to 879 events in 2023/24 including 214 in Town Hall, 599 in Symphony Hall and 66 offsite.

The core grant from Birmingham City Council amounted to £1,308k (2024: £1,388k) and enables the charity to fulfil its current charitable purposes.

Expenditure in the year totalled £13,432k (2024: £12,908k). 86% of the expenditure relates to the delivery of the charity's objectives. 14% 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, B:Music (Enterprises) Ltd ("BMEL"), continues to contribute to the charity's mission and its financial results are shown in note 28 to the consolidated financial statements.

In 2024/25 it continues to trade in the provision of food and beverage including the Symphony Hall B:Eats café, commercial hires and sponsorship.

In the year BMEL made a profit of £271k (2024: £211k) after BML management fees and service charges of £830k (2024: £744k) and £76k (2024: £52k) BML hall hire. BMEL will contribute £271k (2024: £211k) 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 48% (2024: 49%) of the unrestricted income. The grant received from Birmingham City Council constituted 10% (2024: 11%) of unrestricted income this year.

Principal Related party

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

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Investment policy and performance

The funds available for the charity to invest comprise 52% advance box office receipts and 48% 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.

Cash diversity as at 31st March was NatWest 58%, Treasury Bills 26%, Royal Bank of Canada 12%, Rathbones 3%, and Shawbrook 1%.

Cash held with NatWest includes a special reserve account (interest 1.5%) that operates a daily sweep of the charity current account.

Surplus funds are invested into 35 day (interest 2.72%) and 95 day (interest 3.44%) notice accounts.

In June 2024 a new investment account was opened with Rathbones comprising a £250k current account (interest 2.85%) and £1.75m in Treasury Bills. In November 2024 a further £0.5m was invested in Treasury Bills and as at 31 March 2025 the total value was £2.32m. The Treasury Bills are held in four equal tranches auctioned a week apart.

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.

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 2025 was £11,149k with £10,967k (2024: £11,593k with £11,422k) of this balance representing donations and grants 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 £96k (2024: £101k) 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 three month's annual running costs to give the organisation the ability to be able to deal with unexpected events or to exploit new opportunities. The Trustees have therefore set aside £1,139k (2024: £1,451k) as at 31 March 2025 in general reserves.

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 the charity to maintain high standards of design and decoration at both venues and have therefore set a target of £1m for the Buildings Maintenance Reserve. As at 31 March 2025 the Trustees have designated £575k of funds for current and future long term maintenance projects and £200k towards the refurbishment costs as part of the Amplify Town Hall project.

New designated funds are set aside to meet the depreciation for Making an Entrance of £624k, Information Technology equipment of £398k and 52k (2024: £56k) for the Steinway piano in the Jennifer Blackwell Performance Space.

Total 'Designated' Funds at 31 March 2025 are £1,849k (2024: £913k).

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Fundraising

The fundraising team consists of three permanent members of staff who raise money from trusts and foundations, individuals and companies. There were a number of positives in this year and several individual giving income strands exceeded their targets. Memberships continued the growth from the previous year and once again outperformed their target by 20%. Donations at point of sale through the box office or website, reached £16k over target at £58,525. The team also continued to successfully raise funds from trusts and foundations in support of their talent development initiatives and secured support from businesses in the form of restricted project grants linked to CSR objectives.

The organisation remains 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 line with the Fundraising Code of Practice. 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 16 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 88%.

Revenue fund-raising, due to the support of our patrons and membership, achieved £91k which was an increase of 18% from the prior year and budget. Unrestricted donations including gift aid has seen a decline in the last few years, but still achieved 82% of the annual target. Overall, 97% of an ambitious philanthropic budget was achieved.

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

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:

Birmingham City Council Grant

The issue by BCC of a Section 114 notice in September 2023 creates immediate direct and indirect risks for B:Music as the city progressively ceases to fund any non-statutory services such as culture.

To date, B:Music has successfully made the case to BCC that the vast majority of its grant from the city goes directly to pay the rent and services arising from Symphony Hall's status as a tenant in the ICC building, and this liability would return to BCC if B:Music were to cease trading. Under Section 114 legislation it is permitted for the city to continue to fund services if to not do so would not result in any saving.

This interpretation has been accepted by the Section 114 commissioners and a grant of £1,307,834 has been made to the charity on this basis for the 24-25 year. This amount includes an £80,118 operational grant which will be withdrawn in 25-26.

The grant from BCC to B:Music is confirmed on an annual basis and its withdrawal, although highly unlikely, remains the single biggest direct risk to the charity.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

In wider terms by 25-26 BCC will have ceased all funding to cultural organisations in the city, several of which are B:Music stakeholders. Most significant of these are the CBSO who will lose £619k of BCC funding over two years. The CBSO has reduced its total bookings at Symphony Hall as a consequence of this, but this potential reduction in rental income is mitigated by the opportunity to replace this diary usage with events from commercial promoters.

Post-Pandemic behavioural change

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 although this has been mitigated by an increase in smaller meetings in Symphony Hall's smaller spaces.

Recruitment and retention: 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. B:Music salaries are also at the lower end of expectations for the sector, slightly compounding this.

Politics and the economy

The recovery measures implemented by Birmingham City Council as a consequence of Section 114 increased council tax by 21% in the current year, directly impacting audiences from Birmingham postcodes. Nationally, while the rate inflation has decreased, prices are still rising and a cost-of-living crisis continues.

The Office for Budget Responsibility estimates that the impact of the Employers National Insurance rise will add 2% to employer's payroll costs. Firms are likely to pass on higher costs to consumers worsening household disposable income.

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.

The ongoing completion of the Paradise project around Town Hall has required B:Music to repeatedly fight to protect vehicular access to Town Hall, something that has already been progressively constrained as the project has progressed. The ability to park touring vehicles and refrigerated trucks is essential to concert and banqueting activity at Town Hall and without this the venue would rapidly become unviable. B:Music is mitigating this risk by ongoing dialogue with city centre stakeholders and careful planning with incoming event organisers.

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 £304k. This is the first call on the Buildings Maintenance Reserve 'Designated' Funds of £575k, leaving £271k for future projects.

Terror threat

Following the terrorist attacks in Manchester and London in May 2017 the security of B:Music venues and safety of its patrons and staff has become the charity's 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.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

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 2025 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 £3.5k and the cover £3m (2024: £3.4k cost and £3m 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.

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:

	Appointed	Resigned
Ms Anita Kumari Bhalla OBE DL (Chair 27 February 2014)	19 August 1996	
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	3 July 2025
Councillor Ewan Forbes Mackey	24 July 2015	3 July 2025
Ms Claire Jane Evans	1 April 2017	
Mr Anthony Roger Howard	1 August 2019	
Mr Oluwamayokun Alonge	1 August 2019	27 February 2025
Mrs Sheryl Andrea Miller	10 May 2021	
Sir Albert Bore	2 February 2023	
Mr Praveen Gupta	27 April 2023	
Ms Jatinder Dhaliwal	1 December 2023	
Mr Kenneth Wood	17 July 2025	

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

	Appointed	Resigned
Mr Joel Graham Blake OBE	19 February 2015	
Ms Nicola Keye	26 November 2015	
Mr David John Richardson Pardoe	26 November 2015	
Ms Claire Jane Evans	1 April 2017	
Mr Anthony Roger Howard	1 August 2019	
Dr Andrew James Buckley	27 April 2023	
Ms Simranjeet Kaur	27 April 2023	15 August 2024
Mr Shaun Anselm Sookoo	27 April 2023	22 July 2025

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)

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, 4th 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 2025 (2024: 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, 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 11 September 2025 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 2025 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 2025, 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 parent 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 parent charitable 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Glen Bott FCA (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Statutory Auditor
Cubo Birmingham
4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 15 September 2025

B:MUSIC LTD
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2025

		2025	2025	2025	2024	2024	2024
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
		Fund	Fund	Fund	Fund	Fund	Fund
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	2	41	95	136	32	146	178
Charitable activities:							
Rental & admissions	3a	-	6,517	6,517	-	6,097	6,097
Grants receivable	4	233	1,305	1,538	188	1,390	1,578
Other charitable activities	3b	-	2,279	2,279	-	1,936	1,936
Other trading activities	5	-	2,892	2,892	-	2,445	2,445
Investments	6	-	250	250	-	137	137
Total		274	13,338	13,612	220	12,151	12,371
Expenditure on:							
Raising funds:							
Commercial trading operations	7	-	(1,737)	(1,737)	-	(1,458)	(1,458)
Fundraising	7	-	(153)	(153)	-	(115)	(115)
Charitable activities	7	(718)	(10,824)	(11,542)	(862)	(10,473)	(11,335)
Total		(718)	(12,714)	(13,432)	(862)	(12,046)	(12,908)
Net (loss)/income for the year		(444)	624	180	(642)	105	(537)
Transfers between funds	20/21	-	-	-	-	-	-
Net movement in funds		(444)	624	180	(642)	105	(537)
Fund balances brought forward at 1 April 2024		11,593	2,364	13,957	12,235	2,259	14,494
Fund balances carried forward at 31 March 2025		11,149	2,988	14,137	11,593	2,364	13,957

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 18 to 36 form part of these financial statements.

B:MUSIC LTD (Company No. 03169600)
GROUP AND CHARITY BALANCE SHEETS
AS AT YEAR ENDED 31 MARCH 2025

	Note	Group		Charity	
		2025	2024	2025	2024
		£000	£000	£000	£000
Fixed Assets					
Intangible fixed assets	12	43	54	43	54
Tangible fixed assets	13	12,241	12,713	12,241	12,713
Total Fixed Assets		12,284	12,767	12,284	12,767
Current Assets					
Stocks	14	32	31	-	-
Debtors	15	924	906	738	779
Cash Investments		3,705	1,087	3,705	1,087
Cash at bank and in hand		5,146	6,224	5,092	6,130
Total Current Assets		9,807	8,248	9,535	7,996
Creditors - amounts falling due within one year	17	(6,575)	(5,823)	(6,550)	(5,763)
Net Current Assets		3,232	2,425	2,985	2,233
Creditors - amounts falling due after one year	18	(566)	(593)	(566)	(593)
Provisions for liabilities	19	(813)	(642)	(813)	(642)
Net Assets		14,137	13,957	13,890	13,765
The Funds of the Charity:					
Restricted Income Funds	20	11,149	11,593	11,149	11,593
Unrestricted Income Funds					
Designated funds	21	1,849	913	1,849	913
General reserve	21	1,139	1,451	892	1,259
Total Unrestricted Income Funds		2,988	2,364	2,741	2,172
Total Charity Funds		14,137	13,957	13,890	13,765

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 £11,820k (2024: £10,702k) of income and £11,695k (2024: £11,180k) of expenditure relating to the charity resulting in net income of £125k (2024: net expenditure of £478k).

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

Ms Anita Bhalla OBE



Date:

11/09/2025

The notes on pages 18 to 36 form part of these financial statements.

B:MUSIC LTD
CONSOLIDATED STATEMENT OF CASHFLOWS
AS AT 31 MARCH 2025

	Notes	2025	2024
		£000	£000
<hr/>			
Cash flows from/(used) operating activities:			
Net cash provided by operating activities	23	<u>1,611</u>	<u>1,653</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		250	137
Purchase of property, plant and equipment	13	<u>(269)</u>	<u>(69)</u>
Net cash provided by/(used in) investments:		(19)	68
Cash flows from financing activities			
Repayment of borrowings		<u>(52)</u>	<u>(52)</u>
		(52)	(52)
Change in cash and cash equivalents in the reporting period		1,540	1,669
Cash and cash equivalents at 1 April 2024		<u>7,311</u>	<u>5,642</u>
Cash and cash equivalents at 31 March 2025	24	<u>8,851</u>	<u>7,311</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.

The amounts provided for as provisions in these financial statements are the best estimate of the charity's liability as at 31 March 2025. Management have taken into account historic invoices, a consideration of the sub-leases in effect during the relevant periods and obtained professional advice and support from the charity's solicitors in determining the balance recognised in these financial statements.

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.

1. Accounting policies - continued

Expenditure

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

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

Operating leases

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

Employee benefit costs

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

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

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.

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.

B:MUSIC LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. Income from charitable activities

(a) Rental and admissions

	2025	2024
	£000	£000
Rental		
City of Birmingham Symphony Orchestra	497	400
Local music users	14	17
Third party promoters	1,444	1,005
Other	-	-
	1,955	1,422
Admissions		
Birmingham Classical	126	155
Promoted and co-promoted events	4,433	4,515
Other	3	5
	4,562	4,675
	6,517	6,097

(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

		2025	2024
		£000	£000
Core grant	(a)	1,308	1,388
Other grants	(b)	230	190
		1,538	1,578

(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) 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 2025

5. Income from other trading activities

	2025	2024
	£000	£000
Catering income	2,100	1,800
Sponsorship income	98	87
Rentals	694	558
	2,892	2,445

6. Investments

	2025	2024
	£000	£000
Bank interest	250	137

7. Expenditure

		Staff £000	Direct £000	Support £000	2025 £000
Raising funds	- commercial trading	831	824	82	1,737
	- fund raising	153	-	-	153
Charitable activities	- concert and educational Programmes	2,810	4,485	4,207	11,502
	- governance costs	11	-	29	40
Total expenditure		3,805	5,309	4,318	13,432

		Staff £000	Direct £000	Support £000	2024 £000
Raising funds	- commercial trading	685	663	110	1,458
	- fund raising	115	-	-	115
Charitable activities	- concert and educational programmes	2,533	4,643	4,122	11,298
	- governance costs	11	-	26	37
Total expenditure		3,344	5,306	4,258	12,908

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:

	2025 £000	2024 £000
Auditor's remuneration - audit fees	28	26
- non audit fees	4	6
Operating leases - plant and machinery	19	19
Operating leases - land and buildings	46	46
Depreciation - owned tangible fixed assets	741	719
Amortisation - owned intangible fixed assets	11	15

8. Employee information

The average headcount of core employees was 75 (2024: 61) 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

	2025	2024
	£000	£000
Wages and salaries	3,508	3,050
Social security costs	223	216
Other pension costs	74	78
	3,805	3,344

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:

	2025	2024
	Number	Number
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
£130,001 - £140,000	-	1
£140,001 - £150,000	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

	2025	2024
	Number	Number
By Activity		
Charitable activities	192	197
Cost of generating funds	55	47
	247	244

Staff numbers include the absolute number of permanent and casual staff employed during the year.

Key Management Personnel

	2025	2024
	£000	£000
Total remuneration (charity and group)	412	402

Key management personnel comprise five employees (2024: five employees).

Redundancy and Termination Payments

There were no termination payments during the year (2024: nil).

There were no liabilities in respect of redundancy and termination payments at the balance sheet date (2024: nil).

9. Trustees' remuneration

The Chairman of the Trustees received remuneration during the year of £11k (2024: £11k).

The other Trustees of the charity do not receive any remuneration but are reimbursed any expenses for their services.

There are no retirement benefits paid to Trustees (2024: nil).

Remuneration and expenses are paid in accordance with the governing Articles of Association. In the year £384 was reimbursed for travel expenses incurred by one trustee (2024: nil).

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:

	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
	Sale of goods and services		Purchase of goods and services		Grant Income	
Birmingham City Council	375	811	871	893	1,308	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 2025 was £1k (2024: £23k).
The amount due from Birmingham City Council at 31 March 2025 was £nil (2024: £32k).

Related party transactions - Trustees and Core Staff

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, Chair of Birmingham City University and The Institute of International Visual Arts. She is a director of The Greater Birmingham & Solihull Local Enterprise Partnership Ltd. Her spouse was Chair of SAMPAD South Asian Arts and Heritage until November 2023.

Councillor Ewan Mackey is a Trustee of BML. He is an elected member of Birmingham City Council, Royal Sutton Coldfield Town Council and the West Midlands Combined Authority.

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 and The New Streetly Youth Orchestra.

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 Attwood Green Estate Services Ltd. He is an elected member of Birmingham City Council.

Mr Shaun Sookoo is a Director of BMEL. He is a director of the Greater Birmingham & Solihull Local Enterprise Partnership.

Mr Andrew Buckley is a Director of BMEL. He is a director of Birmingham City University.

Mr Nick Reed is the CEO of BML. He is a director of Music beyond Mainstream Ltd.

Ms Nicole Evans is an employee of BML. She is associated with the Shakespeare Distillery Ltd.

Mrs Susan Turner is an employee of BML. Her husband is the director of Turbo Business Services Ltd.

Ms Jatinder Kaur Dhaliwal is a Trustee of BML. She is associated with Lloyds Banking Corporation.

Mr Anthony Howard is a Trustee and a Director of BMEL. He is associated with Oxford Brookes University and the partnership with Global Banking School.

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.

B:MUSIC LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Transactions

		Group	
		Trading	
		2025	2024
		£000	£000
Received from			
Browne Jacobson (trade exchange)	Owed £nil (2024:£nil)	12	12
Browne Jacobson (other)	Owed £nil (2024:£nil)	2	-
University of Birmingham	Owed £nil (2024:£2k)	1	2
Birmingham City University	Owed £nil (2024:£nil)	1	3
Global Banking School	Owed £43k (2024:£nil)	43	-
BBC	Owed £nil(2024:£11k)	4	11
Greater Birmingham Chamber of Commerce	Owed £nil (2024:£nil)	-	2
SAMPAD South Asian Arts and Heritage	Owed £nil (2024:£nil)	-	5
Paid to			
Browne Jacobson (other)	Owed £nil (2024:£nil)	20	14
Music Beyond Mainstream	Owed £nil (2024:£nil)	1	1
Shakespeare Distillery	Owed £nil (2024:£nil)	8	10

During the year BML received a total of £50k (2024: £13k) 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 2025 £000
Cost:	
1 April 2024 and 31 March 2025	143
Accumulated depreciation:	
At 1 April 2024	(89)
Provided during year	(11)
At 31 March 2025	(100)
Net book value of assets as at 31 March 2025	43
Net book value of assets as at 31 March 2024	54

Intangible fixed assets comprise software and IT system licences.

13. Tangible fixed assets - Group and Charity

	2025 £000	2025 £000	2025 £000	2025 £000
	Leasehold Buildings	SH Organ Project	Other	Total
Cost:				
At 1 April 2024	12,592	1,294	2,691	16,577
Additions	-	-	269	269
Transfer	-	-	-	-
At 31 March 2025	12,592	1,294	2,960	16,846
Accumulated depreciation:				
At 1 April 2024	(1,134)	(1,206)	(1,524)	(3,864)
Provided during year	(440)	(54)	(247)	(741)
At 31 March 2025	(1,574)	(1,260)	(1,771)	(4,605)
Net book value of assets as at 31 March 2025	11,018	34	1,189	12,241
Net book value of assets as at 31 March 2024	11,458	88	1,167	12,713

14. Stocks

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Finished goods - Catering	32	31	-	-

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
	2025	2024	2025	2024
	£000	£000	£000	£000
Amounts Falling Due Within One Year				
Trade debtors	627	491	338	266
Other debtors	1	5	1	5
Value Added Tax	(233)	(143)	(123)	(39)
Prepayments	494	539	488	533
Accrued income (note 16)	35	14	34	14
	924	906	738	779

16. Accrued Income

	Group	Group	Charity	Charity
	2025	2024	2025	2024
	£000	£000	£000	£000
Accrued income brought forward	14	8	14	8
Released in the year	(14)	(8)	(14)	(8)
Accrued in the year	35	14	34	14
Accrued income carried forward	35	14	34	14

17. Creditors - amounts falling due within one year

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Trade creditors	811	437	717	361
Secured loan	27	26	27	26
Amounts owed to group undertakings: BMEL	-	-	485	347
Taxation and social security	88	62	88	62
Other creditors	3,079	2,685	3,068	2,678
Accruals	739	808	676	748
Deferred income	1,831	1,805	1,489	1,541
	6,575	5,823	6,550	5,763

Deferred Income

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Deferred income brought forward	1,805	1,654	1,541	1,459
Released in the year	(1,718)	(1,546)	(1,462)	(1,368)
Deferred in the year	1,744	1,697	1,410	1,450
Deferred income carried forward	1,831	1,805	1,489	1,541

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 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Secured loan:				
Due within 2 to 5 years	122	117	122	117
Due after 5 years	444	476	444	476
	566	593	566	593

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 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Amounts owing to BCC	813	642	813	642

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 2025, 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 2024 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2025 £000
Organ construction	(1)	88	-	(54)	-	34
Organ maintenance	(2)	101	4	(9)	-	96
Community Spirit	(3)	-	-	(10)	10	-
Generation Birmingham projects	(4)	15	22	(28)	7	16
B:Aspirational	(5)	12	11	(23)	14	14
B:and Together	(6)	21	119	(48)	(86)	6
Small education projects	(7)	2	-	-	-	2
Small non-education projects	(8)	20	44	(71)	55	48
Steinway Piano fund	(9)	47	-	(4)	-	43
Capital campaign	(10)	11,287	14	(471)	-	10,830
Town Hall fund	(11)	-	60	-	-	60
		11,593	274	(718)	-	11,149

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 Birmingham community.
- (5) Funding for the development of young music tutors and leaders.
- (6) Funding for Jazz and Gospel Ensembles 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.
- (11) Funding for 'Amplify Town Hall' project which enhances and celebrates the heritage of the Town Hall.

20. Restricted income funds (cont.)

		Balance 1 April 2023 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2024 £000
Organ construction	(1)	142	-	(54)	-	88
Organ maintenance	(2)	152	4	(55)	-	101
Community Spirit	(3)	7	8	(14)	(1)	-
Generation Birmingham projects	(4)	75	21	(86)	5	15
B:Aspirational	(5)	11	-	(9)	10	12
B:and Together	(6)	24	103	(78)	(28)	21
Small education projects	(7)	2	-	-	-	2
Small non-education projects	(8)	37	63	(94)	14	20
Steinway Piano fund	(9)	51	-	(4)	-	47
Capital campaign	(10)	11,734	21	(468)	-	11,287
		12,235	220	(862)	-	11,593

21. Unrestricted income funds

		Balance 1 April 2024 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2025 £000
Designated Funds						
General education	(1)	-	-	-	-	-
Building maintenance reserve	(2)	857	-	(82)	(200)	575
Steinway funds	(3)	56	-	(4)	-	52
Town Hall Refurbishment	(4)	-	-	-	200	200
Making an Entrance Capital	(5)	-	-	-	624	624
Information Technology Equipment	(6)	-	-	-	398	398
		913	-	(86)	1,022	1,849
General reserve	(7)	1,451	13,338	(12,628)	(1,022)	1,139
Total Unrestricted		2,364	13,338	(12,714)	-	2,988

21. Unrestricted income funds (cont.)

These funds represent:

- (1) Funds for support of educational work by the charity.
- (2) 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.
- (3) Funding for the Steinway piano
- (4) Funds set aside as match for the Amplify Town Hall Project in Summer 2025.
- (5) Funds set aside for the unfunded element of 'Making an Entrance' - the capital project to extend the performance and hospitality space at Symphony Hall completed in 2021.
- (6) Funds set aside for prior years' expenditure on Information Technology Equipment.
- (7) The general reserve represents unrestricted funds.

		Balance 1 April 2023 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2024 £000
Designated Funds						
General education	(1)	-	1	-	(1)	-
Building maintenance reserve	(2)	915	-	(58)	-	857
Steinway funds	(3)	60	-	(4)	-	56
Town Hall Refurbishment	(4)	-	-	-	-	-
Making an Entrance Capital	(5)	-	-	-	-	-
Information Technology Equipment	(6)	-	-	-	-	-
		975	1	(62)	(1)	913
General reserve	(7)	1,284	12,150	(11,984)	1	1,451
Total Unrestricted		2,259	12,151	(12,046)	-	2,364

22. Analysis of total funds

	Unrestricted Funds £000	Restricted Funds £000	2025 £000
Analysis of type of asset and liability			
Intangible fixed assets	43	-	43
Tangible fixed assets	1,334	10,907	12,241
Current assets	9,565	242	9,807
Creditors falling due within the year (including provisions)	(7,388)	-	(7,388)
Creditors falling due after one year	(566)	-	(566)
	2,988	11,149	14,137

	Unrestricted Funds £000	Restricted Funds £000	2024 £000
Analysis of type of asset and liability			
Intangible fixed assets	54	-	54
Tangible fixed assets	1,308	11,405	12,713
Current assets	8,060	188	8,248
Creditors falling due within the year	(6,465)	-	(6,465)
Creditors falling due after one year	(593)	-	(593)
	2,364	11,593	13,957

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

	2025 £000	2024 £000
Net profit / (loss) for the reporting period	180	(537)
Adjustments for:		
Depreciation and amortisation charges	752	735
Interest from investments	(250)	(137)
(Increase) / decrease in stock	(1)	2
(Increase) / decrease in debtors	(18)	210
Increase in creditors and provisions	923	1,354
Interest paid	25	26
Net cash provided by operating activities	1,611	1,653

24. Analysis of cash and cash equivalents

	31 March 2025 £000	31 March 2024 £000
Cash at bank and in hand	5,146	6,224
Cash investments	3,705	1,087
	8,851	7,311

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 £74k (2024: £78k). Unpaid pension contributions at the year end totalled £23k (2024: £18k).

26. Operating lease commitments

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

	Plant & Equipment		Land & Buildings	
	2025 £000	2024 £000	2025 £000	2024 £000
1 year	6	6	46	46
2 to 5 years	11	17	185	185
Over 5 years	-	-	970	1,016

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 2025 is shown below:

	2025	2024
	£000	£000
Income	2,914	2,466
Expenditure	(2,643)	(2,255)
Other operating income	-	-
Taxation	-	-
Operating profit	271	211
Retained profit brought forward	192	252
Gift Aid to BML	(216)	(271)
Retained profit carried forward	247	192
Assets	867	703
Liabilities	(620)	(511)
Net Assets	247	192

29. Capital commitments

At 31 March 2025 B:Music Ltd has one capital commitment of £353,000 (2024: £nil) in respect of urgent lighting works in Town Hall which are to be carried out during the Summer.

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.

B:MUSIC LTD

England & Wales - Charity number 1053937

Accounts

Charity Registration Number: 1053937
Company Registration Number: 03169600

B:MUSIC LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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

Tel. No. 0121 289 6300

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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 2024 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

I am delighted to introduce the financial results and artistic achievements of what has been a very encouraging year for B:Music.

The highlights of the year are significant: we have increased the number of events presented by the charity, we have increased audiences and we have comfortably improved our anticipated profit and loss position for the year. As custodians of two aging historic buildings, we need significant reserves to maintain them and our performance this year has allowed us to maintain that reserve.

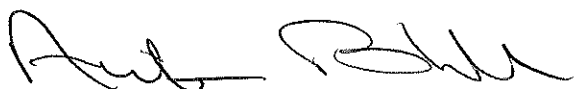
Our real achievements are of course not in the numbers but in the connections that we make and the lives that we touch through the transformative power of music. I'm proud that even with relatively little public subsidy B:Music is still able to make a big impact on the lives of the young people and communities that we work with through our engagement programmes. We now have a well-established pathway stretching from first musical experiences in local schools through to paid opportunities for emerging professional musicians that have been on that journey. All the while the programme on our main stages provides inspiration for these young people as leading artists from around the world come to Birmingham.

The governance of B:Music has remained secure and supportive of the executive during the year with some new trustees joining the board bringing enthusiasm and fresh perspectives. Trustees are actively engaged with the work of the charity, frequently attending events, meeting in our spaces, and advocating for B:Music across the city.

The issue of the Section 114 notice by Birmingham City Council in September has cast a shadow across Birmingham as we now anticipate an end to all cultural funding by the City Council. The withdrawal of wider community services and a 21% increase in council tax over the next two years will also combine to make life harder for everyone in the city. Against this backdrop B:Music is renewed in its commitment to present impactful work and to ensure that those most at risk are still able to take part. We are fund raising hard to support bursaries for participants, and we continue to offer free and low-priced tickets to events when we can.

B:Music will need to work even harder to absorb the impact of lost funding but I am confident in the ability of the B:Music team to adapt and thrive. As the last vestiges of direct support from BCC fall away, we are even more indebted to the many trusts, foundations, individuals and corporate friends that continue to support our work. We are grateful too to Arts Council of England who support us as a National Portfolio Organisation.

Finally, I would like to say thank you to fellow trustees for their time and expertise and a very big heartfelt thank you to our staff for their hard work, creativity, dedication and commitment. The organisation is only as strong as its people, and despite the challenges facing us we are in a strong place.



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

2023-24 has been a strong year for B:Music with a record breaking 879 events taking place across the stages of Symphony Hall, Town Hall, the Jennifer Blackwell Performance Space and the many other informal spaces inside and outside our buildings. Despite cost of living challenges in the wider economy and a bleak outlook for Birmingham City Council, B:Music has continued to bring people together through music with a programme that has been busier than ever.

B:Music has continued to attract artists from around the corner to around the world to the stages of Symphony Hall and Town Hall in a programme which leads with music but welcomes other genres too. This year sell out performances from Beverley Knight, Ustad Rahat Fateh Ali Khan, Robert Plant & Suzi Dian. Panjabi MC, Christine and the Queens and Suede stood alongside Eddie Izzard, Grayson Perry and Miriam Margolyes. In the Jennifer Blackwell Performance Space our commitment to free and low-priced music has been sustained by our regular Free Jazz Fridays and global music with our Midday Mantra and Celebrating Sanctuary seasons. This year we have expanded our programme of free music in our B:Eats café too, giving paid opportunities to emerging performers during school holidays and encouraging family audiences into our spaces. Having played a leading role in programming outdoor stages during the 2022 Commonwealth Games, B:Music was again heavily involved with Festival 2023 which took place across the city, marking a year on from the games.

The City of Birmingham Symphony Orchestra, B:Music's resident orchestra, have continued to shine, and their recently appointed Music Director Kazuki Yamada has forged a strong bond with both players and audiences. The orchestra has also been active in exploring new audience development initiatives to welcome younger audiences.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Talent development has remained a key part of B:Music's work and our B:And Together jazz and gospel ensembles provide regular group tuition for 11-19 year-olds, and our annual summer school has now extended the range of genres and styles from purely jazz to include synths, electronics tabla and more. Working with students studying in levelling up areas, our B:Aspirational programme has given performance space, work experience and insight to hundreds of young people, several of whom who have gone on to paid roles as part of the B:Music technical team. B:Music is proud to have sustained and extended its engagement work through effective fund raising and a renewed commitment to amplifying the organisation's charitable mission.

Wherever possible, B:Music leverages the opportunities of artists performing on its main stages to create opportunities for young people participating in engagement programmes. This year students from our tabla ensemble had the opportunity to perform for guests attending the Symphony Orchestra of India at Symphony Hall, in front of the soloist for that concert, tabla maestro Zakir Hussain.

The 2023-24 financial year at B:Music has been financially the strongest year since Covid with a surplus of £167k (before designated fund movement) achieved against a significant budgeted loss for the year. This turnaround has been driven in the main by increased contribution from events, F&B sales and box office commission alongside improved non trading revenue from funds on deposit. The charity has been able to achieve this performance by maintaining a commercial and entrepreneurial approach to its activities in support of its charitable objectives. In practice this has meant maximising event numbers, working hard on ticket sales and ensuring that food and bar sales are optimised once audiences are in our halls. Although tastes and booking patterns have changed, the demand side of the business is now almost back at pre-pandemic levels, although cost inflation on the supply side has continued to erode margins.

In September 2023 Birmingham City Council issued a Section 114 notice which formally declared that the council was unable to meet its financial commitments and was therefore bankrupt in all but name. This action arose from the accumulation of nearly £800m in single pay claim liabilities, overspends on its IT system and an inability to balance its revenue budget. The issue of the Section 114 notice effectively barred BCC from funding any non-statutory services (such as the arts) and placed B:Music's grant from BCC (almost £1.4m) at immediate risk.

Over several anxious months of uncertainty, B:Music was ultimately able to argue that the vast proportion of its grant from BCC goes to cover lease and service charges at Symphony Hall, and these costs would revert to BCC if B:Music were to become unviable. This proportion of the grant was therefore effectively ringfenced from cuts, something that was confirmed in early 2024. However, the balance of the grant from BCC will reduce by 50% in 2024-25 and be withdrawn completely from 2025-26, a loss in grant revenue of £160k over the two years. A similar grant cutting process has been applied to all arts organisations in Birmingham that were historically funded by the city, including the CBSO and other B:Music stakeholder organisations. This reduction in funding to the sector of almost £3m means that by 2025-26 Birmingham, the UK's second city, will be making no direct investment into the cultural sector at all. B:Music is now working with sector partners to engage BCC, the West Midlands Combined Authority, the business community and other stakeholders in a dialogue to create a new paradigm where even if the arts are not directly funded, but they are actively enabled by policy and strategy in the region.

Although the loss of £160k will be a challenge, over the last 7-8 years B:Music has already evolved to a model where earned income is by far the charity's biggest income stream and this reduction in the small amount of grant income that B:Music receives will therefore be merely painful, rather than fundamentally de-stabilising.

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 15.

This year delivered 879 events including 214 in Town Hall, 599 in Symphony Hall and 66 offsite. This compares to 838 events in 2022/23 including 222 in Town Hall, 613 in Symphony Hall and 3 offsite.

The core grant from Birmingham City Council amounted to £1,388k (2023: £1,388k) and enables the charity to fulfil its current charitable purposes.

Expenditure in the year totalled £12,908k (2023: £12,832k). 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 2023/24 it continues to trade in the provision of food and beverage including the Symphony Hall B:Eats café, commercial hires and sponsorship.

In the year BMEL made a profit of £211k (2023: £271k) after BML management fees and service charges of £744k (2023: £723k) and £52k (2023: £85k) BML hall hire. BMEL will contribute £211k (2023: £271k) 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 49% (2023: 51%) of the unrestricted income. The grant received from Birmingham City Council constituted 11% (2023: 11%) of unrestricted income 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 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.

In 2023 a new investment account was opened with Royal Bank of Canada and at 31 March 2024 £1m was held on a six month fixed term accounts yielding 4.4%.

At 31 March 2024 £nil (2023: £904k) was held on a 60 day notice account yielding 0.70% (2023: 0.70%) during the year. There was also a balance of £87k (2023: £1,637k) held in a 12 month fixed rate saver account yielding 0.70% (2023: 0.70%). Funds in the fixed 12 month saver account were withdrawn early following the S114 announcement from Birmingham City Council.

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

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

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 2024 was £11,593k with £11,422k (2023: £12,235k with £11,927k) of this balance representing donations and grants 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 £101k (2023: £152k) 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 £857k of funds for current and future Long Term Maintenance projects.

The 'Designated' Funds at 31 March 2024 totalled £913k (2023: £975k), including £857k (2023: £915k) for future building maintenance commitments for Town Hall and Symphony Hall, and £56k (2023: £60k) for the Steinway piano in the Jennifer Blackwell Performance Space.

The 'General Reserve' fund has a balance of £1,451k (2023: £1,284k).

Fundraising

The fundraising team consists of three permanent members of staff who raise money from trusts and foundations, individuals and companies. There were a number of positives in this year and several income strands exceeded their targets. Memberships were 35% above target by year end and donations at point of sale through the box office or website, reached £15k over target at £45,500.

In December 2023, the team launched the Gift of Music Appeal as the year's Christmas fundraising campaign. It was very successful, raising a total of £20,800 against an initial target of £15,000, all of which was additional income on top of ongoing individual giving schemes. A particular success of the appeal was the response of audiences to post-show collections, which alone contributed over £4,000.

The organisation remains 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 line with the Fundraising Code of Practice. 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 14 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%.

Revenue fund-raising, due to the support of our patrons and general public, was able to surpass targets for memberships and unrestricted income achieving £76k (membership and patron income) and £220k (unrestricted donations and gift aid). Overall, 87% of an ambitious philanthropic budget was achieved.

Particular thanks are given to Birmingham City Council, 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:

Birmingham City Council Grant

The issue by BCC of a Section 114 notice in September 2023 creates immediate direct and indirect risks for B:Music as the city progressively ceases to fund any non-statutory services such as culture.

To date, B:Music has successfully made the case to BCC that the vast majority of its grant from the city goes directly to pay the rent and services arising from Symphony Hall's status as a tenant in the ICC building, and this liability would return to BCC if B:Music were to cease trading. Under Section 114 legislation it is permitted for the city to continue to fund services if to not do so would not result in any saving.

This interpretation has been accepted by the Section 114 commissioners and a grant of £1,307,834 has been made to the charity on this basis for the 24-25 year. This amount includes an £80,118 operational grant which will be withdrawn in 25-26.

The grant from BCC to B:Music is confirmed on an annual basis and its withdrawal, although highly unlikely, remains the single biggest direct risk to the charity.

In wider terms by 25-26 BCC will have ceased all funding to cultural organisations in the city, several of which are B:Music stakeholders. Most significant of these are the CBSO who will lose £619k of BCC funding over two years. Although CBSO bookings remain unaffected at the moment, this loss of income may impact the orchestra's ability to rent B:Music spaces or reduce its overall ambition, resulting in a loss of income to B:Music.

Post-Pandemic behavioural change

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 although this has been mitigated by an increase in smaller meetings in Symphony Hall's smaller spaces.

Recruitment and retention: 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. B:Music salaries are also at the lower end of expectations for the sector, slightly compounding this.

Politics and the economy

The recovery measures implemented by Birmingham City Council as a consequence of Section 114 will see an increase in council tax of 21% over two years, directly impacting audiences from Birmingham postcodes. Nationally, although inflation is expected to fall during 2024 there remains a perception that prices are high and a cost of living crisis continues.

The impact of the election of a Labour Government in July 2024 is yet to be determined.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

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.

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 £331k. This is the first call on the Buildings Maintenance Reserve 'Designated' Funds of £857k, leaving £526k for future projects.

Terror threat

Following the terrorist attacks in Manchester and London in May 2017 the security of B:Music venues and safety of its patrons and staff has become the charity's 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 2024 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 £3.4k and the cover £3m (2023: £2.8k 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.

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:

	Appointed	Resigned/Retired
Ms Anita Kumari Bhalla OBE DL (Chair 27 February 2014)	19 August 1996	
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	
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	
Sir Albert Bore	2 February 2023	
Mr Praveen Gupta	27 April 2023	
Ms Jatinder Dhaliwal	1 December 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:

	Appointed	Resigned
Mr Joel Graham Blake OBE	19 February 2015	
Ms Nicola Keye	26 November 2015	
Mr David John Richardson Pardoe	26 November 2015	
Ms Claire Jane Evans	1 April 2017	
Mr Anthony Roger Howard	1 August 2019	
Dr Andrew James Buckley	27 April 2023	
Ms Simranjeet Kaur	27 April 2023	
Mr Shaun Anselm Sookoo	27 April 2023	
Mr Arron Jon Wincott	7 September 2023	24 October 2023

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)

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, 3rd 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 2024 (2023: 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, 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 5 September 2024 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 2024 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 2024, 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.



Glen Bott FCA (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Statutory Auditor
Cubo Birmingham
3rd Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 11 September 2024

B:MUSIC LTD
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

		2024	2024	2024	2023	2023	2023
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
		Fund	Fund	Fund	Fund	Fund	Fund
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	2	32	146	178	48	177	225
Charitable activities:							
Rental & admissions	3a	-	6,097	6,097	-	6,151	6,151
Grants receivable	4	188	1,390	1,578	192	1,400	1,592
Other charitable activities	3b	-	1,936	1,936	-	1,653	1,653
Other trading activities	5	-	2,445	2,445	-	2,498	2,498
Investments	6	-	137	137	-	34	34
Total		220	12,151	12,371	240	11,913	12,153
Expenditure on:							
Raising funds:							
Commercial trading operations	7	-	(1,458)	(1,458)	-	(1,428)	(1,428)
Fundraising	7	-	(115)	(115)	-	(166)	(166)
Charitable activities	7	(862)	(10,473)	(11,335)	(892)	(10,346)	(11,238)
Total		(862)	(12,046)	(12,908)	(892)	(11,940)	(12,832)
Net (loss)/income for the year		(642)	105	(537)	(652)	(27)	(679)
Transfers between funds	20/21	-	-	-	-	-	-
Net movement in funds		(642)	105	(537)	(652)	(27)	(679)
Fund balances brought forward at 1 April 2023		12,235	2,259	14,494	12,887	2,286	15,173
Fund balances carried forward at 31 March 2024		11,593	2,364	13,957	12,235	2,259	14,494

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 18 to 36 form part of these financial statements

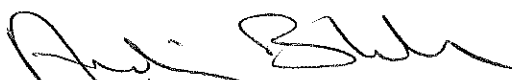
B:MUSIC LTD (Company No. 03169600)
GROUP AND CHARITY BALANCE SHEETS
AS AT YEAR ENDED 31 MARCH 2024

	Note	Group		Charity	
		2024	2023	2024	2023
		£000	£000	£000	£000
Fixed Assets					
Intangible fixed assets	12	54	69	54	69
Tangible fixed assets	13	12,713	13,363	12,713	13,363
Total Fixed Assets		12,767	13,432	12,767	13,432
Current Assets					
Stocks	14	31	33	-	-
Debtors	15	906	1,116	779	951
Cash Investments		1,087	2,540	1,087	2,540
Cash at bank and in hand		6,224	3,102	6,130	2,979
Total Current Assets		8,248	6,791	7,996	6,470
Creditors - amounts falling due within one year	17	(5,823)	(4,672)	(5,763)	(4,602)
Net Current Assets		2,425	2,119	2,233	1,868
Creditors - amounts falling due after one year	18	(593)	(620)	(593)	(620)
Provisions for liabilities	19	(642)	(437)	(642)	(437)
Net Assets		13,957	14,494	13,765	14,243
The Funds of the Charity:					
Restricted Income Funds	20	11,593	12,235	11,593	12,235
Unrestricted Income Funds					
Designated funds	21	913	975	913	975
General reserve	21	1,451	1,284	1,259	1,033
Total Unrestricted Income Funds		2,364	2,259	2,172	2,008
Total Charity Funds		13,957	14,494	13,765	14,243

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 £10,702k (2023: £10,562k) of income and £11,180k (2023: 11,402k) of expenditure relating to the charity resulting in net expenditure of £478k (2023: net expenditure of £840k).

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

Ms Anita Bhalla OBE



Date: 5/9/24

The notes on pages 18 to 36 form part of these financial statements

B:MUSIC LTD
CONSOLIDATED STATEMENT OF CASHFLOWS
AS AT 31 MARCH 2024

	Notes	2024 £000	2023 £000
<hr/>			
Cash flows from/(used) operating activities:			
Net cash provided by operating activities	23	<u>1,653</u>	<u>(604)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		137	34
Purchase of property, plant and equipment	13	<u>(69)</u>	<u>(353)</u>
Net cash provided by/(used in) investments:		68	(319)
Cash flows from financing activities			
Repayment of borrowings		<u>(52)</u>	<u>(65)</u>
		(52)	(65)
Change in cash and cash equivalents in the reporting period		1,669	(988)
Cash and cash equivalents at 1 April 2023		<u>5,642</u>	<u>6,630</u>
Cash and cash equivalents at 31 March 2024	24	<u>7,311</u>	<u>5,642</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.

The amounts provided for as provisions in these financial statements are the best estimate of the charity's liability as at 31 March 2024. Management have taken into account historic invoices, a consideration of the sub-leases in effect during the relevant periods and obtained professional advice and support from the charity's solicitors in determining the balance recognised in these financial statements.

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.

1. Accounting policies - continued

Expenditure

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

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

Operating leases

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

Employee benefit costs

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

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

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.

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

	2024	2023
	£000	£000
Rental		
City of Birmingham Symphony Orchestra	400	366
Local music users	17	30
Third party promoters	1,005	868
Other	0	0
	1,422	1,264
Admissions		
Birmingham Classical	155	119
Promoted and co-promoted events	4,515	4,768
Other	5	0
	4,675	4,887
	6,097	6,151

(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

		2024	2023
		£000	£000
Core grant	(a)	1,388	1,388
Other grants	(b)	190	204
		1,578	1,592

(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) 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 2024

5. Income from other trading activities

	2024	2023
	£000	£000
Catering income	1,800	1,661
Sponsorship income	87	78
Rentals	558	759
	2,445	2,498

6. Investments

	2024	2023
	£000	£000
Bank interest	137	34

7. Expenditure

		Staff £000	Direct £000	Support £000	2024 £000
Raising funds	- commercial trading	685	663	110	1,458
	- fund raising	115	-	-	115
Charitable activities	- concert and educational Programmes	2,533	4,643	4,122	11,298
	- governance costs	11	-	26	37
Total expenditure		3,344	5,306	4,258	12,908

		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		3,260	5,584	3,988	12,832

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:

	2024 £000	2023 £000
Auditor's remuneration - audit fees	26	20
- non audit fees	6	2
Operating leases - plant and machinery	19	6
Operating leases - land and buildings	46	46
Depreciation - owned tangible fixed assets	719	713
Amortisation - owned intangible fixed assets	15	19

8. Employee information

The average headcount of core employees was 61 (2023 : 60) 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

	2024	2023
	£000	£000
Wages and salaries	3,050	2,968
Social security costs	216	223
Other pension costs	78	69
	3,344	3,260

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:

	2024	2023
	Number	Number
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£130,001 - £140,000	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.

Staff numbers

	2024	2023
	Number	Number
By Activity		
Charitable activities	236	232
Cost of generating funds	8	7
	244	239

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

Key Management Personnel

	2024	2023
	£000	£000
Total remuneration (charity and group)	402	393

Key management personnel comprise five employees (2023: five employees).

Redundancy and Termination Payments

There were no termination payments during the year (2023: nil).

There were no liabilities in respect of redundancy and termination payments at the balance sheet date (2023: nil).

9. Trustees' remuneration

The Chairman of the Trustees received remuneration during the year of £11k (2023: £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 (2023: £nil).

There are no retirement benefits paid to Trustees (2023: 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:

	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
	Sale of goods and services		Purchase of goods and services		Grant Income	
Birmingham City Council	811	622	893	867	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 2024 was £23k (2023: £1k).
The amount due from Birmingham City Council at 31 March 2024 was £32k (2023: £110k).

Related party transactions - Trustees and Core Staff

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, Chair of Birmingham City University and a governor of the RSC.

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.

Mr Shaun Sookoo is a Director of BMEL. He is a director of the Greater Birmingham & Solihull Local Enterprise Partnership.

Mr Andrew Buckley is a Director of BMEL. He is a director of Birmingham City University.

Mr Nick Reed is the CEO of BML. He is a director of Music beyond Mainstream Ltd.

Ms Nicole Evans is an employee of BML. She is associated with the Shakespeare Distillery Ltd.

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.

Transactions

		Group	
		Trading	
		2024	2023
		£000	£000
Received from			
Glenn Howells Architects Limited	Owed £nil (2023:£nil)	-	1
Browne Jacobson (trade exchange)	Owed £nil (2023:£nil)	12	14
Browne Jacobson (other)	Owed £nil (2023:£nil)	-	4
University of Birmingham	Owed £2k (2023:£2k)	2	2
Birmingham City University	Owed £nil (2023:£nil)	3	-
Colmore Business District Limited	Owed £nil (2023:£nil)	-	18
BBC	Owed £11k (2023:£nil)	11	-
Greater Birmingham Chamber of Commerce	Owed £nil (2023:£nil)	2	-
SAMPAD South Asian Arts and Heritage	Owed £nil (2023:£nil)	5	10
Anita Bhalla	Owed £nil (2023:£nil)	-	1
Paid to			
Browne Jacobson (other)	Owed £nil (2023:£5k)	14	5
Greater Birmingham Chamber of Commerce	Owed £nil (2023:£1k)	-	1
The Equal Group Corporation Limited	Owed £nil (2023:£nil)	-	6
ITV News	Owed £nil (2023:£nil)	-	1
Music Beyond Mainstream	Owed £nil (2023:£nil)	1	2
Shakespeare Distillery	Owed £nil (2023:£nil)	10	-

During the year BML received a total of £13k (2023: £10k) 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 2024 £000
Cost:	
1 April 2023 and 31 March 2024	143
Accumulated depreciation:	
At 1 April 2023	(74)
Provided during year	(15)
At 31 March 2024	(89)
Net book value of assets as at 31 March 2024	54
Net book value of assets as at 31 March 2023	69

Intangible fixed assets comprise software and IT system licences.

13. Tangible fixed assets - Group and Charity

	2024 £000	2024 £000	2024 £000	2024 £000
	Leasehold Buildings	SH Organ Project	Other	Total
Cost:				
At 1 April 2023	12,592	1,294	2,622	16,508
Additions	-	-	69	69
Transfer	-	-	-	-
At 31 March 2024	12,592	1,294	2,691	16,577
Accumulated depreciation:				
At 1 April 2023	(695)	(1,152)	(1,298)	(3,145)
Provided during year	(439)	(54)	(226)	(719)
At 31 March 2024	(1,134)	(1,206)	(1,524)	(3,864)
Net book value of assets as at 31 March 2024	11,458	88	1,167	12,713
Net book value of assets as at 31 March 2023	11,897	142	1,324	13,363

14. Stocks

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Finished goods - Catering	31	33	-	-

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
	2024	2023	2024	2023
	£000	£000	£000	£000
Amounts Falling Due Within One Year				
Trade debtors	491	644	266	399
Other debtors	5	2	5	2
Value Added Tax	(143)	(27)	(39)	56
Prepayments	539	489	533	486
Accrued income (note 16)	14	8	14	8
	906	1,116	779	951

16. Accrued Income

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£000	£000	£000	£000
Accrued income brought forward	8	327	8	325
Released in the year	(8)	(327)	(8)	(325)
Accrued in the year	14	8	14	8
Accrued income carried forward	14	8	14	8

17. Creditors - amounts falling due within one year

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Trade creditors	437	206	361	129
Secured loan	26	25	26	25
Amounts owed to group undertakings: BMEL	-	-	347	275
Taxation and social security	62	54	62	54
Other creditors	2,685	2025	2,678	2,014
Accruals	808	708	748	646
Deferred income	1,805	1,654	1,541	1,459
	5,823	4,672	5,763	4,602

Deferred Income

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Deferred income brought forward	1,654	1,937	1,459	1,765
Released in the year	(1,546)	(1,796)	(1,368)	(1,654)
Deferred in the year	1,697	1,513	1,450	1,348
Deferred income carried forward	1,805	1,654	1,541	1,459

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 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Secured loan:				
Due within 2 to 5 years	117	112	117	112
Due after 5 years	476	508	476	508
	593	620	593	620

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 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Amounts owing to BCC	642	437	642	437

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 2024, 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 2023 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2024 £000
Organ construction	(1)	142	-	(54)	-	88
Organ maintenance	(2)	152	4	(55)	-	101
Community Spirit (Sing for all)	(3)	7	8	(14)	(1)	-
Generation Ladywood projects	(4)	75	21	(86)	5	15
Project soundlounge	(5)	11	-	(9)	10	12
Jazzlines projects	(6)	24	103	(78)	(28)	21
Small education projects	(7)	2	-	-	-	2
Small non-education projects	(8)	37	63	(94)	14	20
Steinway Piano fund	(9)	51	-	(4)	-	47
Capital campaign	(10)	11,734	21	(468)	-	11,287
		12,235	220	(862)	-	11,593

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 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

21. Unrestricted income funds

		Balance 1 April 2023 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2024 £000
Designated Funds						
General education	(1)	-	1	-	(1)	-
Organ education	(2)	-	-	-	-	-
Building maintenance reserve	(3)	915	-	(58)	-	857
Music in Birmingham	(4)	-	-	-	-	-
Making an Entrance	(5)	-	-	-	-	-
THSH COVID-19 relief	(6)	-	-	-	-	-
Steinway funds	(7)	60	-	(4)	-	56
		975	1	(62)	(1)	913
General reserve	(8)	1,284	12,150	(11,984)	1	1,451
Total Unrestricted		2,259	12,151	(12,046)	-	2,364

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, undesignated in the year.
- (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, undesignated in the year.
- (5) Funds for 'Making an Entrance' - the capital project to extend the performance and hospitality space at Symphony Hall, which was transferred to the Buildings Maintenance reserve in year.
- (6) Funds for supporting activity during the COVID-19 pandemic, undesignated in the year.
- (7) Funding for the Steinway piano.
- (8) The general reserve represents unrestricted funds.

		Balance				Balance
		1 April	Income	Amounts	Transfers	31 March
		2022		utilised		2023
		£000	£000	£000	£000	£000
Designated Funds						
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)	-
THSH 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
Total Unrestricted		2,286	11,913	(11,940)	-	2,259

22. Analysis of total funds

Analysis of type of asset and liability	Unrestricted	Restricted	2024
	Funds	Funds	2024
	£000	£000	£000
Intangible fixed assets	54	-	54
Tangible fixed assets	1,308	11,405	12,713
Current assets	8,060	187	8,248
Creditors falling due within the year (including provisions)	(6,465)	-	(6,465)
Creditors falling due after one year	(593)	-	(593)
	2,364	11,593	13,957

Analysis of type of asset and liability	Unrestricted	Restricted	2023
	Funds	Funds	2023
	£000	£000	£000
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	(5,109)	-	(5,109)
Creditors falling due after one year	(620)	-	(620)
	2,259	12,235	14,494

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

	2024	2023
	£000	£000
Net (loss) for the reporting period	(537)	(679)
Adjustments for:		
Depreciation and amortisation charges	735	732
Dividends, interest and rents from investments	(137)	(34)
Decrease / (increase) in stock	2	(6)
Decrease in debtors	210	390
Increase / (decrease) in creditors and provisions	1,354	(1,034)
Interest paid	26	27
Net cash provided by / (used by) operating activities	1,653	(604)

24. Analysis of cash and cash equivalents

	31 March 2024 £000	31 March 2023 £000
Cash at bank and in hand	6,224	3,102
Cash investments	1,087	2,540
	7,311	5,642

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 £78k (2023: £69k). Unpaid pension contributions at the year end totalled £18k (2023: £15k).

26. Operating lease commitments

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

	Plant & Equipment		Land & Buildings	
	2024 £000	2023 £000	2024 £000	2023 £000
1 year	6	6	46	46
2 to 5 years	17	23	185	185
Over 5 years	-	-	1,016	1,062

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 2024 is shown below:

	2024	2023
	£000	£000
Income	2,466	2,507
Expenditure	(2,255)	(2,236)
Other operating income	-	-
Taxation	-	-
Operating profit	211	271
Retained profit brought forward	252	89
Gift Aid to BML	(271)	(108)
Retained profit carried forward	192	252
Assets	703	679
Liabilities	(511)	(427)
Net Assets	192	252

29. Capital commitments

At 31 March 2024 there were no capital commitments (2023: £nil).

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 14 Trustees at the balance sheet date who appoint a Chairman. The Board are legally responsible for the governance and management of the charity.

B:MUSIC LTD

England & Wales - Charity number 1053937

Accounts

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 £60k (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.

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

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:

	Appointed	Resigned/Retired
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:

	Appointed	Resigned/Retired
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	

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

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, 4th 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, 4th 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
Income from:							
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
Total		240	11,913	12,153	868	9,996	10,864
Expenditure on:							
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)
Total		(892)	(11,940)	(12,832)	(582)	(9,985)	(10,567)
Net (loss)/income for the year		(652)	(27)	(679)	286	11	297
Transfers between funds	19/20	-	-	-	-	-	-
Net movement in funds		(652)	(27)	(679)	286	11	297
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
Fixed Assets					
Intangible fixed assets	12	69	88	69	88
Tangible fixed assets	13	13,363	13,723	13,363	13,723
Total Fixed Assets		13,432	13,811	13,432	13,811
Current Assets					
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
Total Current Assets		6,791	8,163	6,470	7,836
Creditors - amounts falling due within one year	17a	(4,672)	(5,850)	(4,602)	(5,613)
Net Current Assets		2,119	2,313	1,868	2,223
Creditors - amounts falling due after one year	18	(620)	(646)	(620)	(646)
Provisions for liabilities	19	(437)	(305)	(437)	(305)
Net Assets		14,494	15,173	14,243	15,083
The Funds of the Charity:					
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
Total Unrestricted Income Funds		2,259	2,286	2,008	2,197
Total Charity Funds		14,494	15,173	14,243	15,083

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

(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
		1,592	3,292

- (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.

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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
	2,498	1,280

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
	3,260	2,535

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
By Activity		
Charitable activities	232	194
Cost of generating funds	7	7
	239	201

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
Received from					
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	-	-	-
Paid to					
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
Cost:	
1 April 2022 and 31 March 2023	143
Accumulated depreciation:	
At 1 April 2022	(55)
Provided during year	(19)
At 31 March 2023	(74)
Net book value of assets as at 31 March 2023	69
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
Cost:				
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
Accumulated depreciation:				
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)
Net book value of assets as at 31 March 2023	11,897	142	1,324	13,363
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
Amounts Falling Due Within One Year				
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
	1,116	1,506	951	1,292

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	8	327	8	325

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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
	4,672	5,850	4,602	5,613

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	1,654	1,937	1,459	1,765

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
	620	646	620	646

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
Designated Funds						
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
Total Unrestricted		2,286	11,913	(11,940)	-	2,259

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
Total Unrestricted		2,275	9,996	(9,985)	-	2,286

22. Analysis of total funds

	Unrestricted Funds £000	Restricted Funds £000	2023 £000
Analysis of type of asset and liability			
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)
	2,259	12,235	14,494

	Unrestricted Funds £000	Restricted Funds £000	2022 £000
Analysis of type of asset and liability			
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)
	2,286	12,887	15,173

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
Adjustments for:		
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
Net cash provided by operating activities	(604)	1,622

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
	5,642	6,630

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	-	-
Operating profit	271	113
Retained profit brought forward	89	(24)
Gift Aid to BML	(108)	-
Retained profit carried forward	252	89
Assets	679	567
Liabilities	(427)	(478)
Net Assets	252	89

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.

B:MUSIC LTD

England & Wales - Charity number 1053937

Accounts

Charity Registration Number: 1053937
Company Registration Number: 03169600

B:MUSIC LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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

Tel. No. 0121 289 6300

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

Officers and Management

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

	Appointed	Resigned/Retired
Ms Anita 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	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	

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

	Appointed	Resigned/Retired
Mr 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

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, 4th 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

CHAIR'S REPORT

Over the course of the past year B:Music has slowly returned to something like normal operations as the worst of the restrictions required to contain the Coronavirus pandemic were gradually lifted. Having survived the devastating impact that the virus has had on our sector, it has been a joy to return to our mission of inspiring a love of live music through performance, participation and learning. Despite the societal challenges still ahead, the delight in our audiences and participants at once again being able to fully engage with our work has been palpable, richly rewarding all of the hard work that has gone into ensuring the survival of the charity over the past two years.

The opportunity to finally launch the new spaces created by the Making an Entrance project at Symphony Hall has been a highlight of the year. The charity has now significantly expanded the scope of its work, with regular free to access concerts, more learning opportunities and a growing number of local businesses keen to use our new facilities - with their spectacular views of Centenary Square - for corporate events. There is no doubt that the development has brought a new energy to the building, and with the launch of the new daytime Café Bar Symphony Hall is now a magnet for curious new visitors.

Despite the wider challenges in the employment sector, B:Music has rebuilt its permanent staff team over the past year bringing new energy to the organisation and allowing us the opportunity to welcome an increasingly diverse workforce. Equality, Diversity, and Inclusion remain an organisational priority and I am grateful for the work of both trustees and staff working on various positive initiatives in our EDI group. Colleagues are now making similar positive steps in our Green group, trying to embed sustainability in everything that we do.

Over the past few years B:Music has developed a strong business model, effectively reinvesting the profit from our commercial activities into supporting our charitable objectives. This commercial success has allowed the charity to move from a culture of over-reliance on core subsidy to a position that this subsidy is a diminishing part of our overall income. However, while the live music sector is still recovering from the pandemic and the economy is challenged by inflation, our commercial activity becomes more vulnerable. In these times the support of our wider family of donors is more important than ever. 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.

Over the summer of 2022 Birmingham welcomes the world to the city for the Commonwealth Games and in doing so throws renewed light on the myriad cultural jewels in our region. I am proud that our buildings remain such an important part of the cityscape, and that our work continues to impact so positively by bringing people together through music. I am grateful to all the trustees, staff and wider stakeholders that support us in doing this.



Anita Bhalla OBE, Chair, B:Music Ltd

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 2022 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 (March 2022 (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
People 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 ('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.

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. There were no volunteers during the year ended 31 March 2022.

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. Since July, the fundraising team have been very pleased to welcome back to Symphony Hall the many wonderfully generous donors to our Making an Entrance capital campaign, showcasing the huge difference our new spaces are making for our local communities.

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.

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

2021-2022 has been a transitional year for B:Music as the charity has emerged from the worst of the restrictions of the Covid pandemic into a more open but profoundly changed world. Despite this challenging environment the charity has grown in both its ambition and its achievements, bringing several strategic objectives to fruition. B:Music has rebuilt the core capacity of the organisation after furlough and redundancy saw a massive reduction to the staff team during 2020-21. Notwithstanding the wider challenges of the recruitment market the core team is now at full strength and fully delivering on the expanded programme enabled by the new spaces created by the Making an Entrance project at Symphony Hall.

On 1 April the charity formally changed its name from Performances Birmingham Limited to B:Music Limited. This administrative change was followed by a public facing teaser campaign over the subsequent months, progressively revealing the new brand and culminating in a mass door drop to all Birmingham postcodes announcing the re-opening weekend of activities in July. Now in use for over a year this new brand has quickly become adopted by audiences and stakeholders, effectively communicating that B:Music is much more than simply the two buildings that it manages. The brand has adapted well to describing all the wider projects delivered by the charity and its visual language and typography are now instantly recognisable.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

The timetable of covid restrictions in place during the year once again profoundly affected the programme that B:Music was able to present. The requirement for socially distanced performances continued up until July meaning that only a handful of live events were able to take place in the early part of the year, such as a limited CBSO season. During this period B:Music continued to engage with its audiences digitally, continuing with a programme of streamed events and enabling recordings by partner organisations.

In July B:Music unveiled the new performance spaces created by the Making an Entrance project with a weekend of free events using all these new spaces. This weekend featured a centre piece performance by Paraorchestra alongside performances from many of the charity's partner organisations such as CBSO, Ex Cathedra and Black Voices. Many local artists that had been featured in previous online concerts were also invited to perform making for a packed weekend that was very positively received. A formal stakeholder launch took place in September 2021.

By the autumn, a full and unrestricted programme returned to Symphony Hall and Town Hall albeit one characterised by many concerts that had been re-scheduled from earlier in the pandemic. Considerable instability remained in the programme however with concerts continuing to cancel or re-schedule due to covid related issues in the supply chain. The emergence of the Omicron strain of Coronavirus in late autumn and the subsequent imposition of "Plan B" measures in December had a massive impact on December sales, negatively impacting attendance at some concerts over the traditionally buoyant Christmas season.

More positively the new bars and hospitality spaces at Symphony Hall quickly realised the vision behind them on those concerts that were demographically less impacted by the pandemic. Where audiences remained strong, bar sales have been excellent and the improved ergonomics of the foyer spaces look set to have a long term positive impact on the charity's commercial activities.

Autumn saw the full roll out of the expanded programme of live music and talent development activity in the Jennifer Blackwell Performance Space and the Jane How and Justham Family Rooms. This expansion of the charity's artistic ambition was at the heart of the Making an Entrance project at Symphony Hall and having been frustrated by pandemic restrictions for the first six months of the year, the launch of this programme was a significant milestone for the organisation.

From October through to March B:Music presented the Back to Live programme of events in these new spaces. Supported by an Arts Council of England grant, this season of work included regular partnerships with Sampad, National Open Youth Orchestra, Casey Bailey, Beatfreaks, Birmingham Royal Ballet, Capsule Kids Gigs, Celebrating Sanctuary and Royal Birmingham Conservatoire, alongside several one-off events. All of these have been free to access or very low-priced events and have generated 240 days employment for regional artists across 61 performances, significantly exceeding planned outputs. In parallel with the public facing work, B:Music's talent development ensembles all expanded into the new spaces creating a much-improved environment for the participants. On average 37% of the audience for this new programme of events are new to B:Music.

B:Music has not been immune to the wider trends in work and employment sometimes referred to as "The Great Resignation". This impacted particularly on technical, bar and front of house roles during the autumn of 2021 but started to stabilise into 2022. In spite of these challenges B:Music was able to rebuild a full team of permanent staff over the course of the year as staff returned from furlough and new roles were created. The creation of a formalised hybrid working policy where some staff are able to work off site for some of their contracted hours has proved beneficial. During the year B:Music recruited four apprentices who have brought a new energy to various departments across the organisation.

In overview B:Music has been able to both regularise and grow its work during the year, albeit with the acknowledgment that the pandemic will continue to cast a long shadow. The charity is now modelling that audience numbers and the wider concert supply chain may take some years to return to pre-pandemic levels, with inflation a major factor. Notwithstanding this, the hard work of the staff team in minimising costs and successfully bidding for grant relief over the past two years mean that the charity has retained strong reserves and built a strong and resilient staff team to meet this challenge.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Supporting B:Music

Over the past 12 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 68% compared to 4% during 2020/21.

B:Music is indebted to Arts Council England for £810,000 of Culture Recovery Fund received in this financial year, having awarded £3,000,000 (less additional Coronavirus Job Retention Scheme grant) making a total grant of £2,835,037 over round one and two.

For the second year running, Birmingham City Council relaxed reporting requirement 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 £61k (membership and patron income) and £164k (unrestricted donations and gift aid). Overall, 80% of an ambitious philanthropic budget was reached despite a depleted Development team in 2021.

B:Music received capital grants and donations for Making and Entrance of £620k, including support for digital signage of £250k from West Midlands Combined Authority and £100k for fitout costs from Cultural Infrastructure Levy funds. Only a residual of circa £300k is outstanding from pledged income and grants and 80% will be collected in 2022/23.

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 15.

Despite the prevailing Covid restrictions up to July 2021, overall there were 551 events in 2021/22 including 136 in Town Hall, 395 in Symphony Hall, 16 delivered online and 4 offsite. This compares to one ticketed event across Town Hall (nil) and Symphony Hall (1) in 2020/21.

The core grant from Birmingham City Council amounted to £1,388k (2021: £1,388k) and enables the charity to fulfil its current charitable purposes.

Expenditure in the year totalled £10,567k (2021: £5,214k). 91% of the expenditure relates to the delivery of the charity's objectives. 9% 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 27 to the consolidated financial statements.

In 2021/22 it continues to trade in the provision of food and beverage and commercial hires and saw the soft opening of the Symphony Hall City Cafe. In the year BMEL made a profit of £113k after BML management fees and service charges of £329k (2021: £56k) and £24k (2021: £2k) BML hall hire.

BMEL will contribute £89k in gift aid to the charity within nine months of the year end.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

Principal funding sources

The principal ongoing funding source for the charity is rental and admission income, contributing 47% (2021: 1%) of the unrestricted income. The grant received from Birmingham City Council constituted 13% (2021: 15%) of unrestricted income this year. The charity received £620k (2021: £3,809k) 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 57% advance box office receipts and 43% 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 2022 £2,525k (2021: £2,513k) was held on a 60 day notice account yielding 0.30% (2021: 0.90%) during the year.

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.

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 2022 was £12,887k with £12,403k (2021: £12,601k with £12,054k) 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 £155k (2021: £151k) 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 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. The Trustees 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 £1.2M of funds for current and future Long Term Maintenance projects.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

The 'Designated' Funds at 31 March 2022 totalled £1,455k (2021: £1,453k), including £1.2m (2021: £1.3m) for future building maintenance commitments for Town Hall and Symphony Hall and £45k (2021: £45k) for Making An Entrance activity, details of which are set out on page 7.

The 'General Reserve' fund has a balance of £831k (2021: £822k).

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:

Coronavirus Pandemic

The coronavirus pandemic remains a significant meta risk to the charity, manifesting it in several specific areas:

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: The pandemic has prompted unprecedented instability in the labour market due to changing attitudes to work. There has been a labour crisis in the hospitality sector and volatility in many other areas traditionally staffed by hourly paid workers. B:Music is heavily reliant on casual staff for its daily operations and is therefore vulnerable to not being able to meet minimum staffing levels or to achieve the bar sales required by the budget. To mitigate this the charity is offering more permanent roles with guaranteed hours and actively upselling the benefits of working for the charity.

Operations: B:Music has a relatively small operations team with little cross over between roles. It is therefore vulnerable to new variants of the virus requiring its staff to self-isolate, impacting on the ability to physically staff events. To mitigate against this more senior staff are being trained as duty managers and other staff are being encouraged to cross into operational roles if required.

Politics and the economy

The resignation of the prime minister in July precipitated a protracted period of political instability on top of an already anxious national mood. The national debate is dominated by fuel prices, food poverty and inflation, and the political turmoil means that clear policies to deal with these public priorities are unlikely to emerge for some time. The ongoing war in Ukraine is a further unsettling influence.

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.

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

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.

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. Road closures and travel restrictions implemented to enable the Commonwealth Games in Summer 2022 will further challenge audiences who need to travel by car to attend concerts.

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.

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. Trustees have agreed that £801,000 will be committed to long term maintenance projects over the next 3 years.

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 2022 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 £3k and the cover £2m (2021: £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,

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

- 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 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. The five-year plan is now being rebased for a recovery period and public confidence to return. B:Music received £23,717 of Local Restrictions Support Grants in response to Tier closures in Birmingham.

In April 2021 B:Music secured a grant of £465,325 in the second round of Culture Recovery Fund. The support of the Arts Council, together with the general reserves of the charity, enabled B:Music to remain financially secure.

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 20 October 2022 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 ("parent charitable company") and its subsidiary ("the group") for the year ended 31 March 2022 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 2022, 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

Chartered Accountants and Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 20th October 2022

B:MUSIC LTD
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

		2022	2022	2022	2021	2021	2021
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
		Fund	Fund	Fund	Fund	Fund	Fund
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	2	34	182	216	231	74	305
Charitable activities:							
Rental & admissions	3a	-	5,103	5,103	-	97	97
Grants receivable	4	834	2,458	3,292	3,713	5,184	8,897
Other charitable activities	3b	-	960	960	-	157	157
Other trading activities	5	-	1,280	1,280	-	91	91
Investments	6	-	13	13	-	18	18
Total		868	9,996	10,864	3,944	5,621	9,565
Expenditure on:							
Raising funds:							
Commercial trading operations	7	-	(827)	(827)	-	(217)	(217)
Fundraising	7	-	(108)	(108)	-	(105)	(105)
Charitable activities	7	(582)	(9,050)	(9,632)	(200)	(4,692)	(4,892)
Total		(582)	(9,985)	(10,567)	(200)	(5,014)	(5,214)
Net income for the year		286	11	297	3,744	607	4,351
Transfers between funds	19/20	-	-	-	-	-	-
Net movement in funds		286	11	297	3,744	607	4,351
Fund balances brought forward at 1 April 2021		12,601	2,275	14,876	8,857	1,668	10,525
Fund balances carried forward at 31 March 2022		12,887	2,286	15,173	12,601	2,275	14,876

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 18 to 35 form part of these financial statements

B:MUSIC LTD (Company No. 03169600)
 GROUP AND CHARITY BALANCE SHEETS
 AS AT YEAR ENDED 31 MARCH 2022

	Note	Group		Charity	
		2022	2021	2022	2021
		£000	£000	£000	£000
Fixed Assets					
Intangible fixed assets	12	88	108	88	108
Tangible fixed assets	13	13,723	13,580	13,723	13,580
Total Fixed Assets		13,811	13,688	13,811	13,688
Current Assets					
Stocks	14	27	-	-	-
Debtors	15	1,506	985	1,292	922
Cash Investments		2,525	2,513	2,525	2,513
Cash at bank and in hand		4,105	3,174	4,019	3,155
Total Current Assets		8,163	6,672	7,836	6,590
Creditors - amounts falling due within one year	17	(6,155)	(4,815)	(5,918)	(4,709)
Net Current Assets		2,008	1,857	1,918	1,881
Creditors - amounts falling due after one year	18	(646)	(669)	(646)	(669)
Net Assets		15,173	14,876	15,083	14,900
The Funds of the Charity:					
Restricted Income Funds	19	12,887	12,601	12,887	12,601
Unrestricted Income Funds					
Designated funds	20	1,455	1,453	1,455	1,453
General reserve	20	831	822	741	846
Total Unrestricted Income Funds		2,286	2,275	2,197	2,299
Total Charity Funds		15,173	14,876	15,083	14,900

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 £9,923k (2021: £9,460k) of income and £9,740k (2021: £4,997k) 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:

20/10/22

The notes on pages 18 to 36 form part of these financial statements

B:MUSIC LTD
CONSOLIDATED STATEMENT OF CASHFLOWS
AS AT 31 MARCH 2022

	Notes	2022	2021
		£000	£000
Cash flows from operating activities:			
Net cash provided by operating activities	22	<u>1,622</u>	<u>5,159</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		12	18
Purchase of property, plant and equipment		<u>(634)</u>	<u>(6,778)</u>
Net cash (used in) investments:		<u>(622)</u>	<u>(6,760)</u>
Cash flows from financing activities			
Repayment of borrowings		<u>(57)</u>	-
		<u>(57)</u>	-
Change in cash and cash equivalents in the reporting period		943	(1,601)
Cash and cash equivalents at 1 April 2021		<u>5,687</u>	<u>7,288</u>
Cash and cash equivalents at 31 March 2022	23	<u>6,630</u>	<u>5,687</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.

1. Accounting policies - continued

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.

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 - The gift shop closed in 2020 due to Covid and never reopened. A decision was made to close the Gift Shop permanently during this financial year. Remaining stock was sold off in a clearance sale to staff and local Arts venues.

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

	2022	2021
	£000	£000
Rental		
City of Birmingham Symphony Orchestra	397	82
Local music users	36	9
Third party promoters	427	6
Other	41	-
	901	97
Admissions		
Birmingham Classical	9	-
Promoted and co-promoted events	4,193	-
Other	-	-
	4,202	-
	5,103	97

(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

		2022	2021
		£000	£000
Core grant	(a)	1,388	1,388
Capital project (MaE) grants	(b)	-	3,598
Cultural Recovery Fund grant	(c)	810	2,025
Arts Council England Emergency grant	(c)	-	300
Coronavirus Job Retention Scheme grant	(d)	233	1,442
Other grants	(e)	861	144
		3,292	8,897

- (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.

5. Income from other trading activities

	2022	2021
	£000	£000
Catering income	896	-
Sponsorship income	78	41
Merchandise income	5	50
Rentals	301	-
	1,280	91

6. Investments

	2022	2021
	£000	£000
Bank interest	13	18

7. Expenditure

		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>

		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>

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:

	2022 £000	2021 £000
Auditor's remuneration - audit fees	17	17
- non audit fees	2	33
Operating leases - plant and machinery	6	6
Operating leases - land and buildings	46	46
Depreciation - owned tangible fixed assets	491	268
Amortisation - owned intangible fixed assets	20	20

8. Employee information

The average headcount of core employees was 49 (2021:60) 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

	2022	2021
	£000	£000
Wages and salaries	2,323	2,501
Social security costs	163	157
Other pension costs	49	55
	2,535	2,713

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:

	2022	2021
	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

	2022	2021
	Number	Number
By Activity		
Charitable activities	194	241
Cost of generating funds	7	9
	201	250

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

Key Management Personnel

	2022	2021
	£000	£000
Total remuneration (charity and group)	421	378

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

Redundancy and Termination Payments

There was one termination payment during the year comprising £25k of discretionary pay (2021: £7k statutory and £5k discretionary).

There were no liabilities in respect of redundancy and termination payments at the balance sheet date (2021: nil).

9. Trustees' remuneration

The Chairman of the Trustees received remuneration during the year of £10k (2021: £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 (2021: £nil).

There are no retirement benefits paid to Trustees (2021: 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:

	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
	Sale of goods and services		Purchase of goods and services	
Birmingham City Council	673	334	852	817

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 2022 was £8k (2021: £1k). The amount due from Birmingham City Council at 31 March 2022 was nil (2021: 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 17 June 2022. She is a director of the Greater Birmingham Chambers of Commerce and a board member of St Basil's.

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

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.

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.

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.

Transactions

		Group			
		Trading		Box Office	
		2022	2021	2022	2021
		£000	£000	£000	£000
Received from					
Glenn Howells Architects Limited	Owed nil (2021:nil)	1	-	-	-
Browne Jacobson (trade exchange)	Owed nil (2021:nil)	24	-	-	-
University of Birmingham	Owed 3 (2021:nil)	3	-	-	-
Greater Birmingham and Solihull Local Enterprise Partnership Limited	Owed nil (2021:nil)	3	-	-	-
Paid to					
Browne Jacobson (other)	Owed nil (2021:nil)	31	22	-	-
SAMPAD South Asian Arts and Heritage	Owed nil (2021:nil)	2	-	-	-
Greater Birmingham Chamber of Commerce	Owed nil (2021:nil)	1	1	-	-
The Equal Group Corporation Limited	Owed 6 (2021:nil)	19	-	-	-
Music Beyond Mainstream	Owed 1 (2021:nil)	1	-	-	-

During the year BML received a total of £15k (2021: £921k) 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 2022 £000
Cost:	
At 1 April 2021	143
Additions	-
At 31 March 2022	143
Accumulated depreciation:	
At 1 April 2021	(35)
Provided during year	(20)
At 31 March 2022	(55)
Net book value of assets as at 31 March 2022	88
Net book value of assets as at 31 March 2021	108

Intangible fixed assets comprise software and IT system licences.

13. Tangible fixed assets - Group and Charity

	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000
	Leasehold Buildings	Construction Work in progress	SH Organ Project	Other	Total
Cost:					
At 1 April 2021	-	12,733	1,294	1,494	15,521
Additions	-	441	-	193	634
Transfer	12,592	(13,174)	-	582	-
At 31 March 2022	12,592	-	1,294	2,269	16,155
Accumulated depreciation:					
At 1 April 2021	-	-	(1,045)	(896)	(1,941)
Provided during year	(256)	-	(53)	(182)	(491)
At 31 March 2022	(256)	-	(1,098)	(1,078)	(2,432)
Net book value of assets as at 31 March 2022	12,336	-	196	1,191	13,723
Net book value of assets as at 31 March 2021	-	12,733	249	598	13,580

14. Stocks

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Finished goods	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.

	2022	2021
	£000	£000
Finished Goods		
Catering	27	-
The Shop	-	27
Cost of stock	27	27
Slow-moving stock provision	-	(27)
	27	-

15. Debtors

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts Falling Due Within One Year				
Trade debtors	526	171	295	124
Other debtors	29	92	8	71
Value Added Tax	134	53	177	60
Prepayments	490	446	487	444
Accrued income (note 16)	327	223	325	223
	1,506	985	1,292	922

16. Accrued Income

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Accrued income brought forward	223	3	223	3
Released in the year	(223)	(3)	(223)	(3)
Accrued in the year	327	223	325	223
Accrued income carried forward	327	223	325	223

17. Creditors - amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Trade creditors	536	283	461	282
Secured loan	37	41	37	41
Amounts owed to group undertakings: BMEL	-	-	198	24
Taxation and social security	54	39	54	39
Other creditors	2,221	1,403	2,103	1,404
Accruals	1,370	619	1,300	605
Deferred income	1,937	2,430	1,765	2,314
	6,155	4,815	5,918	4,709

Deferred Income

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Deferred income brought forward	2,430	1,888	2,314	1,751
Released in the year	(1,749)	(607)	(1,755)	(535)
Deferred in the year	1,256	1,149	1,206	1,098
Deferred income carried forward	1,937	2,430	1,765	2,314

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 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Secured loan:				
Due within 2 to 5 years	108	103	108	103
Due after 5 years	538	566	538	566
	646	669	646	669

19. Restricted income funds

		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

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.
- (11) Funding for the refurbishment of the gift shop.
- (12) Funding for digital media displays.

19. Restricted income funds (cont.)

		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	(11)	31	-	(31)	-	-
Thrive project	(12)	26	-	(26)	-	-
Small education projects	(7)	8	-	(3)	-	5
Small non-education projects	(8)	57	20	(10)	-	67
Capital campaign	(10)	8,057	3,809	(21)	-	11,845
		8,857	3,944	(200)	-	12,601

20. Unrestricted income funds

		Balance 1 April 2021 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2022 £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
		1,453	16	(14)	-	1,455
General reserve	(8)	822	9,980	(9,971)	-	831
Total Unrestricted		2,275	9,996	(9,985)	-	2,286

20. 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.

	Balance 1 April 2020 £000	Income £000	Amounts utilised £000	Transfers £000	Balance 31 March 2021 £000
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Designated Funds

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
General reserve	(7)	245	5,567	(4,990)	-	822
Total Unrestricted		1,668	5,621	(5,014)	-	2,275

21. Analysis of total funds

	Unrestricted Funds £000	Restricted Funds £000	2022 £000
Analysis of type of asset and liability			
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)
	2,286	12,887	15,173

	Unrestricted Funds £000	Restricted Funds £000	2021 £000
Analysis of type of asset and liability			
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)
	2,275	12,601	14,876

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

	2022 £000	2021 £000
Net income for the reporting period	297	4,351
Adjustments for:		
Depreciation and amortisation charges	511	288
Dividends, interest and rents from investments	(13)	(18)
(Increase) in stock	(27)	-
(Increase) / decrease in debtors	(520)	317
Increase in creditors	1,345	212
Interest paid	29	9
Net cash provided by operating activities	1,622	5,159

23. Analysis of cash and cash equivalents

	31 March 2022 £000	31 March 2021 £000
Cash at bank and in hand	4,105	3,174
Cash investments	2,525	2,513
	6,630	5,687

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 £49k (2021: £55k). Unpaid pension contributions at the year end totalled £13k (2021: £10k).

25. Operating lease commitments

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

	Plant & Equipment		Land & Buildings	
	2022 £000	2021 £000	2022 £000	2021 £000
1 year	6	6	46	46
2 to 5 years	11	17	162	185
Over 5 years	-	-	1,108	1,155

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 the previous year. The lease premium has been capitalised and was included in "Construction work in progress" shown at note 13 to these accounts, in the current year this has been transferred to leasehold buildings.

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.

27. 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 2022 is shown below:

	2022	2021
	£000	£000
Income	1,291	91
Expenditure	(1,180)	(273)
Other operating income	2	73
Taxation	-	20
Operating profit/(loss)	113	(89)
Retained profit brought forward	(24)	65
Gift Aid to BML	-	-
Retained profit carried forward	89	(24)
Assets	567	112
Liabilities	(478)	(136)
Net Assets	89	(24)

28. Capital commitments

At 31 March 2022 the Trustees had contracted for the replacement of the fire alarm system at Town Hall an amount of £82k.

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.

B:MUSIC LTD

England & Wales - Charity number 1053937

Accounts

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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**B:MUSIC LTD (PREVIOUSLY PERFORMANCES BIRMINGHAM LIMITED)
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:

	Appointed	Resigned/Retired
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:

	Appointed	Resigned/Retired
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

**B:MUSIC LTD (PREVIOUSLY PERFORMANCES BIRMINGHAM LIMITED)
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.

**B:MUSIC LTD (PREVIOUSLY PERFORMANCES BIRMINGHAM LIMITED)
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.

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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

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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 4th 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 5th 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 1st 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 18th 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 16th-18th 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.

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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.

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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

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

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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 31st 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. 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
Income from:							
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
Total		3,944	5,621	9,565	7,204	12,676	19,880
Expenditure on:							
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)
Total		(200)	(5,014)	(5,214)	(507)	(12,872)	(13,379)
Net income / expenditure for the year		3,744	607	4,351	6,697	(196)	6,501
Transfers between funds	19/20	-	-	-	200	(200)	-
Net movement in funds		3,744	607	4,351	6,897	(396)	6,501
Fund balances brought forward at 1 April 2020		8,857	1,668	10,525	1,960	2,064	4,024
Fund balances carried forward at 31 March 2021		12,601	2,275	14,876	8,857	1,668	10,525

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
Fixed Assets					
Intangible fixed assets	12	108	128	108	128
Tangible fixed assets	13	13,580	7,070	13,580	7,070
Total Fixed Assets		13,688	7,198	13,688	7,198
Current Assets					
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
Total Current Assets		6,672	8,590	6,590	8,497
Creditors - amounts falling due within one year	17	(4,815)	(5,263)	(4,709)	(5,257)
Net Current Assets		1,857	3,327	1,881	3,240
Creditors - amounts falling due after one year	18	(669)	-	(669)	-
Net Assets		14,876	10,525	14,900	10,438
The Funds of the Charity:					
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
Total Unrestricted Income Funds		2,275	1,668	2,299	1,581
Total Charity Funds		14,876	10,525	14,900	10,438

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
Cash flows from operating activities:			
Net cash provided by operating activities	22	<u>5,159</u>	<u>5,848</u>
Cash flows from investing activities:			
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
Rental		
City of Birmingham Symphony Orchestra	82	330
Local music users	9	234
Third party promoters	6	459
Other	-	9
	97	1,032
Admissions		
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.

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

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

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

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
By Activity		
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.

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.

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

Transactions

		Group			
		Trading		Box Office	
		2021	2020	2021	2020
		£000	£000	£000	£000
Received from					
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
Paid to					
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
Cost:	
At 1 April 2020	143
Additions	-
At 31 March 2021	143
Accumulated depreciation:	
At 1 April 2020	(15)
Provided during year	(20)
At 31 March 2021	(35)
Net book value of assets as at 31 March 2021	108
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
Cost:				
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
Accumulated depreciation:				
At 1 April 2020	-	(991)	(682)	(1,673)
Provided during year	-	(54)	(214)	(268)
At 31 March 2021	-	(1,045)	(896)	(1,941)
Net book value of assets as at 31 March 2021	12,733	249	598	13,580
Net book value of assets as at 31 March 2020	5,955	303	812	7,070

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

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
Finished Goods		
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
Amounts Falling Due Within One Year				
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

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

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
Accrued income carried forward	223	3	223	3

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
	4,815	5,263	4,709	5,257

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
Deferred income carried forward	2,430	1,888	2,314	1,751

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	-
	669	-	669	-

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
		8,857	3,944	(200)	-	12,601

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
Designated Funds						
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
General reserve	(7)	245	5,567	(4,990)	-	822
Total Unrestricted		1,668	5,621	(5,014)	-	2,275

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
Analysis of type of asset and liability			
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)
	2,275	12,601	14,876

	Unrestricted Funds £000	Restricted Funds £000	2020 £000
Analysis of type of asset and liability			
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)
	1,668	8,857	10,525

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

	2021 £000	2020 £000
Net income for the reporting period	4,351	6,501
Adjustments for:		
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)
Net cash provided by operating activities	5,159	5,848

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
	5,687	7,288

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)
Operating (loss) / profit	(89)	96
Retained profit brought forward	65	176
Gift Aid to BML	-	(207)
Retained profit carried forward	(24)	65
Assets	112	345
Liabilities	(136)	(280)
Net Assets	(24)	65

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.