



Putting music at the heart of Bristol life

BRISTOL MUSIC TRUST

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Company Number: 07531978

Charity Number: 1140898

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CHAIR'S REPORT

It is a pleasure to report another excellent year that saw us present 535 performances (2015/16: 450) to a total audience of over 270,000 (2015/16: 245,000) across a broad range of genres. Our education arm, Bristol Plays Music has continued to excel reaching over 30,000 children across Bristol and receiving national recognition for innovation and creativity as joint winner of the Music Education Council Award for best music education hub. Our like for like income increased to £7.6 million (2015/16: £7.4 million) with a small surplus of £66,632 for the year and free reserves at 31 March 2017 of £490,164.

Our National Portfolio Status with Arts Council England has again enabled us to promote an extensive menu of initiatives including a focus on younger and lesser known artists.

We are full of excitement as we enter the coming year which we expect to be a watershed in the history of Colston Hall. Bristol City Council has pledged unequivocal support for the redevelopment of Colston Hall which gives certainty for the project to go ahead. Later this year we shall be celebrating the 150th anniversary of the Hall and then move with some urgency to closure in the summer of 2018 with a planned reopening in early 2020. We have a truly outstanding design for a world class music venue fit for the 21st century.

We are immensely grateful for the support of Bristol City Council, Arts Council England, Heritage Lottery Fund and of course the many individuals and organisations who have given generously to support both our education work and music promotions.

Finally, a huge thank you to Louise Mitchell, our Chief Executive and every member of the Bristol Music Trust Team for their dedication in bringing to reality a vision first put forward some six years ago when the Trust was established. Without each and every member of staff none of this would be possible.

Henry Kenyon

June 2017

The trustees present their report and the financial statements of Bristol Music Trust for the year ended 31 March 2017.

REFERENCE AND ADMINISTRATIVE DETAILS

Board of Trustees

The trustees of the charity (who are also the directors of the company) holding office during the financial year and as at 31 March 2017 are as follows:

<i>Trustees/Directors</i>	<i>Appointed/Reappointed</i>	<i>Resigned</i>
Henry Kenyon (Chair)	16 February 2015	
Michele Balfe	6 October 2014	
Martino Burgess	6 October 2014	
Simon Chapman (Honorary Treasurer)	4 April 2015	
Simon Cook*	16 February 2015	27 June 2016
Simon Cook**	27 June 2016	
Paul Fordham	16 February 2015	
Andrew Nisbet	4 March 2017	
Marie Nixon	16 February 2015	
Sir Brian McMaster	4 March 2017	
Estella Tincknell*	27 June 2016	
James Wetz	14 November 2015	

*Nominated trustee (Executive Member for Culture) appointed by Bristol City Council.

** Reappointed by the Board of Trustees as an independent trustee.

Executive Team

The executive team are responsible for the day-to-day management of the charity:

Louise Mitchell (Chief Executive)
 Phil Castang (Head of Bristol Plays Music)
 Rosa Corbishley (Head of Development)
 Nick Craney (General Manager, Colston Hall)
 Marguerite Jenkin (Finance & Commercial Director)
 Sarah Robertson (Communications & Special Projects Director)
 Kate Rowland (Head of Development – fixed term cover appointed 1 August 2016)
 Christine Swain (Head of Customer Service, Colston Hall)
 Todd Wills (Head of Programme, Colston Hall)

Audit, Risk & Resources Committee

Simon Chapman (Chair)
Henry Kenyon
Michele Balfe
Martino Burgess

Bristol Plays Music Committee

James Wetz (Chair)
Michele Balfe
Louise Jennings
Deshni Pyndiah

Colston Hall Capital Fundraising Group

Sonia Mills (Chair)
Rosalind Kennedy
Henry Kenyon
Andrew Nisbet
Paul Whitehouse

Colston Hall Phase 2 Development Project – Strategic Advisory Group

Henry Kenyon (Chair)

Principal address and registered office: Colston Hall
Colston Street
Bristol
BS1 5AR

Registered charity number: 1140898

Company registration number: 07531978

The trustees have made the following professional appointments:

Auditor: RSM UK Audit LLP
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Bankers:

NatWest
Bristol City Office
PO Box 3232
32 Corn Street
Bristol
BS1 1HQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status & History

Bristol Music Trust was established to operate Colston Hall in Bristol, to promote music and the arts, and to advance education and appreciation of music and the arts, for the benefit of the people of Bristol and the South West of England. The company was incorporated on 16 February 2011 and commenced its operations on 1 May 2011.

Bristol Music Trust is a charity registered in England & Wales (no. 1140898), and a non-profit-making company limited by guarantee registered in England & Wales (no. 07531978). A trading subsidiary BMT Enterprises Ltd was incorporated on 23 March 2011 as a company limited by shares (wholly owned by Bristol Music Trust) to manage associated commercial activities (and any activities that are “non-primary purpose trading”) for the benefit of the charity, and also commenced its operations on 1 May 2011. A cost sharing agreement is in place to ensure that the trading subsidiary pays Bristol Music Trust for its use of Colston Hall and other services. All profits of BMT Enterprises Ltd are gift-aided to Bristol Music Trust.

Bristol Music Trust is developing a distinctive and vibrant programme of music and events at Colston Hall, and creatively supports young people in Bristol and the South West in music making and music learning through Bristol Plays Music. Bristol City Council's Cabinet made the decision to establish Bristol Music Trust as an independent body responsible for managing the hall in 2011, leasing the Colston Hall to Bristol Music Trust for a twenty-five year period at a peppercorn rent (to March 2036 but with approval currently sought for an extension to 99 years), and offering a great opportunity to improve and develop music provision to the public in Bristol and the South West of England. Bristol City Council financially support the work of Bristol Music Trust to deliver its charitable objectives and entrusted services as defined in our Service Level Agreement. In addition, since April 2015, Bristol Music Trust has benefited from significant funding as an Arts Council England national portfolio organisation (in consortium with St George's Bristol) to support our artistic programme and audience development objectives.

Bristol Plays Music was launched in March 2013 as a strategic partnership between Bristol Music Trust and Bristol City Council to become the Arts Council England's music education hub for the City of Bristol. On 1 September 2013, the Bristol Arts and Music Service (BAMS) was formally transferred from Bristol City Council to become an integral part of Bristol Music Trust, joining with the Colston Hall Education team under the Bristol Plays Music umbrella, with the aim of delivering an exciting and coherent music educational programme that spans both formal and non-formal music education across the City. Bristol Plays Music is based both at Colston Hall and at the Bristol Plays Music Centre in Southmead, which is leased to Bristol Music Trust for a four year period at a peppercorn rent (to March 2019). The vision of Bristol Plays Music is to work with strategic hub partners to make Bristol the UK Capital of Young People's Music and ensure that every young person has access to music learning activities and a platform for musical expression and participation.

Colston Hall is at the beating heart of culture and music in Bristol. The building has been part of the Bristol skyline for 150 years and home to iconic performances by some of the world's leading artists, including The Beatles, Ella Fitzgerald, Bob Dylan, David Bowie and Yehudi Menuhin, leaving lasting memories that live on in people's minds. The first Colston Hall opened to the public on 20 September 1867 but the main auditorium was destroyed by fire in 1898. A second reconfigured Colston Hall opened on the site in 1901 and was bought from the Colston Hall Company in 1919 by Bristol Corporation for £65,000, and the building has been the property of

Bristol City Council ever since. In 1935 the hall was closed for remodelling with a third Colston Hall opening in December 1936, but a further fire in 1945 robbed Bristol of its concert hall once more. The fourth incarnation of Colston Hall, which exists today, was opened in 1951 to mark the Festival of Britain. The present old building is in clear need of significant investment to enable us to fulfil the musical and educational objectives of Bristol Music Trust. It is in such poor condition that it may in fact be coming to the end of its maintainable life. As part of a major project to deliver a world-class concert hall for Bristol, an inspiring new foyer (Phase 1 of the project, jointly funded by Arts Council England and Bristol City Council) opened in September 2009.

Colston Hall Redevelopment Phase 2

The Trust's ambition for Phase 2 of the building development is to transform Colston Hall, delivering a new and inspiring centre where all music can flourish. Our £48.8 million capital campaign aims both to transform the Victorian building into an international-standard Centre for Music Entertainment, Education and Enterprise, and enable Bristol to truly become the UK Capital for Young People's Music. It is envisaged that Colston Hall will be a completely accessible major music venue for artists and audience alike, and we are working to become the first national Centre for Advanced Training (CAT) offering a comprehensive music education for musicians with special educational needs and disability (SEND) and supporting a life-long relationship with music. We want to deliver new experiences and creative learning to ever wider-ranging audiences, ensuring our entertainment is innovative, inspiring and inclusive.

The preferred development option is to upgrade the historic grade 2 listed building such that it attains the quality, functionality, and iconic impact offered by the UK's best music centres, bringing something different and unique to the Bristol cityscape and community. It will be a celebration of musical creativity and excellence, supporting modern production values and facilities within an inspiring historic building. Our re-imagined Colston Hall would be an international music destination which celebrates the widest range of music, and supports the City's immense creativity and the cultural diversity of its artists and audiences. International standard facilities will allow us to attract the very best performers in all types of music.

The transformation of Colston Hall is one of the most significant projects of its kind in the UK, and the biggest ever arts redevelopment in Bristol. The transformation will enable us to remodel and upgrade the existing venue, making it one of the most comprehensive and attractive facilities in the country. The transformation will include:

- Remodelling the existing main auditorium, with major changes to the stage and equipping it with international standards of acoustics, comfort and flexibility.
- Redeveloping the second hall, known as The Lantern, into an elegant and versatile performance venue and space for large workshops and rehearsals.
- The introduction of flexible seating technology to enable the venue to be used for a range of purposes, from arts performances to festivals, corporate events and graduations.
- Opening up the historic cellars for the first time in 100 years to create a third hall.
- Creating three sound-proofed large studios, a self-contained suite of four spaces for music education and practice rooms, two creative cubicles and a recording studio.
- Creating a social area and library for less formal presentations or gatherings.
- Restoring the historic core of the building and the Colston Street frontage to its Victorian magnificence.

It is a key strategic aim for the City to harness our cultural, historic, and artistic assets to bring social and economic benefit to the region and to underpin its reputation for creativity, live musical performance, and

technological and business innovation. A thriving and dynamic music centre is essential to ensure the future success not just of the music industry in the region but also has a fundamental part to play in the success of the creative industry as a whole. Colston Hall activity, together with our wide-reaching education work, makes Bristol Music Trust a very significant contributor to the regional economy, sense of place, and attractiveness as a visitor destination and place to live and invest. Our show audiences come from across the region (65% Bristol, 25% the South-West, 10% other UK destinations) and we directly generate nearly £8 million turnover each year. We recently commissioned KPMG to produce an independent study of the full economic impact of Colston Hall which estimated that the Gross Value Added (GVA) contribution of Colston Hall to the UK economy would grow in real terms from £17.4 million per annum in 2015/16 to £20.6 million per annum post transformation in 2020/21, delivering a present value GVA contribution over 20 years of £263.3 million to the regional economy and £412.5 million nationally.

If the Hall is not redeveloped it is assumed that the Trust would pass Colston Hall back to the Council upon closure and that business performance (upon reopening after essential maintenance work) would significantly deteriorate and revert back to pre-Trust levels or worse, and the current economic impact would be severely compromised. Huge progress has been made in the past year and over £30 million has so far been pledged providing the Trust with a very solid foundation from which to raise the required £48.8 million for the development.

Organisational Structure

The non-executive Board of Trustees (directors of the charity) has responsibility for the governance and administration of the charity. The Board meets five times a year and should be composed of no fewer than five trustees and no more than twelve trustees (or such other maximum number determined by the Board). The Articles of Association (dated 15 February 2011) provide for there to be up to two trustees appointed by Bristol City Council out of a maximum of twelve, subject to the number of Council appointed trustees always being below 20% of the Board, in order to ensure its independence as an organisation. The Chief Executive, Finance & Commercial Director, General Manager of Colston Hall, Communications & Special Projects Director and Head of Bristol Plays Music are invited to attend Board meetings, and there will be a quorum comprising a minimum of three (excluding Council nominated trustees) trustee members.

An Audit, Risk and Resources Committee has been established as a sub-committee of the Board with responsibility for assisting the Board to discharge its duties in the following areas: financial and operational performance and procedures; audit and controls oversight; risk management and compliance; property transactions; annual plans and budgets; investments; and management of reserves. The membership of the Audit, Risk and Resources Committee comprises a minimum of three trustee members, appointed by the Board of Trustees. The Committee includes the Chair of the Board and the Honorary Treasurer, and the Board appoints the Committee Chair. The Chief Executive and the Finance & Commercial Director attend the Committee and a quorum comprises a minimum of two trustee members. The Committee normally meets three times a year.

A Bristol Plays Music Committee has been established as a sub-committee of the Board with responsibility for oversight of Bristol Plays Music, the educational arm of the organisation. Matters of responsibility include: the recommendation of education policy and delivery to the Board for approval; the recommendation of the Bristol Plays Music business plan to the Board for approval; monitoring and evaluation against key performance indicators and the music education hub core and extension roles; and monitoring of financial performance. The

membership of the Bristol Plays Music Committee comprises a minimum of three trustee members (including the Chair of the Bristol Plays Music Committee), appointed by the Board, and independent experts may be invited by the Chair of the Bristol Plays Music Committee with the approval of the Board. The Chief Executive, Finance & Commercial Director, and Head of Bristol Plays Music are invited to attend the Committee and a quorum comprises a minimum of two trustee members. The Committee normally meets four times a year.

A Colston Hall Capital Fundraising Group has been established as a sub-committee of the Board to steer the overall capital fundraising for the Colston Hall transformation project including: canvassing of political support (national and local government); applying for funds from Arts Council England, trusts and charitable bodies; corporates and corporate finance options; and private sector, individuals, digital and public fundraising. The members of the Committee, including a minimum of two trustee members shall be appointed and approved by the Board annually and shall be eligible for reappointment. The Chair of the Committee is appointed by the Board and the Committee may appoint other members with appropriate expertise who are not trustees. The Chief Executive, Head of Development, and Finance and Commercial Director are invited to attend the Committee and a quorum comprises a minimum of three members of which one must be a trustee of the Board. The Committee will normally meet four times a year.

The Colston Hall Redevelopment Phase 2 Project is jointly led by Bristol Music Trust and Bristol City Council and the project managed by the Bristol City Council Major Projects Team with Service Director, Development and Regeneration, Alistair Reid as Senior Reporting Officer. The Chief Executive represents Bristol Music Trust on the full Bristol City Council Project Board, with the support of an expert client representative, reporting to the Board of Trustees. As part of the project governance structure an additional client Strategic Advisory Group has been established as an expert advisory committee to the Trust, with representatives from architects Levitt Bernstein and major stakeholders Bristol City Council and Arts Council England. The group reviews project plans and status and advises the Trust on design development, construction, and fit-out of the transformation project in order to meet agreed client facility requirements. The group is chaired by the Chair of the Board of Trustees and the Chief Executive and Finance and Commercial Director are invited to attend. The Committee will normally meet monthly prior to the meeting of the Project Board.

Responsibility for implementation of the Trust's strategy, and the organisation's day to day management is delegated by the Board to the Chief Executive and the executive senior management team. The Board selects and appoints the Chief Executive and may have involvement in the appointment of other key members of the senior management team.

The trustees are confident that the governance and management structures that have been established are appropriate to the needs of the organisation.

Method of Recruitment, Appointment, Election, Induction & Training of Trustees

Recruitment, Appointment & Election

Each trustee is asked to sign a Trustee's Undertaking upon appointment, confirming their willingness to accept the appointment, their understanding of the associated duties and responsibilities, and their willingness to become a member of the charity. The term of office for a trustee is four years and he or she is eligible for re-election by the Board for one further term of four years. The trustees serve as volunteers and receive no payment for their work for the charity.

Induction & Training

All of the trustees are mindful of their duty to act solely in the interests of Bristol Music Trust and those trustees who are members/officers of Bristol City Council understand their duty (under company law and charity law) to avoid conflicts of interest. The organisation's articles contain detailed provisions for declaring any interest a trustee has and managing any conflicts arising from such interests. All of the trustees are informed of their responsibilities and duties, and are provided with appropriate guidance (including the Bristol Music Trust Handbook for charity trustees) and information to carry these out effectively.

Pay Policy for Key Management Personnel

As directors of Bristol Music Trust, the Board of Trustees consider the trustees and the executive senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All trustees give of their time freely, and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in notes 8 and 21 to the accounts respectively.

The pay of the senior management team is reviewed annually and is normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels and specialisms in other comparable arts and charitable organisations of a similar size.

Risk & Corporate Governance Matters

The trustees regularly monitor progress against the strategic objectives set out in the agreed business plan. The Audit, Risk and Resources Committee has responsibility to the Board for reviewing in more detail the risks to which the charity is exposed and the corresponding mitigations, and for ensuring an effective risk management strategy is in place. A document setting out the risks, consequences, countermeasures and contingencies has been prepared by the executive team and is reviewed on a regular basis.

Principal risks and uncertainties identified for the organisation are as follows:

Risk	Mitigation
Lack of political and financial support for the Colston Hall transformation project	<ul style="list-style-type: none"> • Fundraising strategy with a diverse funding and support base, with over 60% funding pledged to date • Successful strategic 'Thank You For The Music' campaign and strong PR • Compelling economic, social, artistic, educational, commercial case for transformation • Positive relationships with major partners and stakeholders
Colston Hall building risks (unforeseen structural and operational issues) prior to redevelopment	<ul style="list-style-type: none"> • Skilled team with regular risk review and maintenance • Bristol City Council retains responsibility for the fabric of the building • Successful fundraising campaign enables the Phase 2 transformation project to commence
Limited arts funding reduces ability to deliver the artistic and educational ambition	<ul style="list-style-type: none"> • Building and maintaining positive relationships with funding organisations and supporters, including status as Arts Council England National Portfolio Organisation • Political lobbying both locally and nationally • Building a diverse fundraising and sustainable business model that delivers our charitable objectives with vision

AIMS AND ACTIVITIES

Charitable Aims

Launched in May 2011 the Bristol Music Trust is an independent charity with two distinct aims:

The first is to manage the operations of Colston Hall, Bristol's largest concert venue, where people have been enjoying music since 1867; developing a diverse musical programme, leading a major capital refurbishment programme, and securing its commercial success. The Hall presents a wonderful opportunity to build a diverse music centre; comprising a traditional concert hall, a smaller intimate hall, and an inspiring modern foyer.

The second aim is to drive forward music across Bristol and the South West of England; working in partnership with city wide organisations, leading on musical education under the banner of Bristol Plays Music, commissioning new works, supporting local musicians, and promoting music across all communities to build on the vibrant talent already in the City. Much more, we want the Bristol music scene to stand out with its own unique culture and internationally renowned reputation.

Bristol Music Trust's vision is to put music at the heart of Bristol life, and to lead a strategic, holistic, citywide approach to promoting music so that it flourishes through performance, composition, participation and education.

Charitable Activities

Bristol Music Trust manages the operations of Colston Hall to provide artistic and educational benefits to the people of Bristol and the South West of England. Colston Hall hosts an impressive and varied programme of performances, events and educational courses and facilities. The Trust's aim is to deliver an extensive and high quality programme of creative performances across a range of musical genres. With a wide ranging programme, the Trust will attract all age groups and reach out to the many diverse cultures of Bristol.

Under the umbrella of Bristol Plays Music, the Arts Council England's music education hub for the City of Bristol, Bristol Music Trust aims to work with its strategic partners to deliver a coherent musical educational programme spanning formal and non-formal music education across the City, and ensure that every young person has access to high quality music learning opportunities and a platform for musical expression. Bristol Plays Music is leading music education in Bristol, providing expertise and support to schools, community and cultural organisations; and also serving Bristol, delivering the National Plan for Music Education to schools and their communities.

Bristol Music Trust currently works with a variety of partner organisations including performance partners such as Bournemouth Symphony Orchestra and the British Paraorchestra; education and delivery partners such as Open Up Music and Conductive Music; and other Bristol partners and venues such as St George's Bristol. The Trust will continue to work with a range of partners and to look to expand its partnership arrangements locally and nationally.

While the Trust's initial focus will be on operating Colston Hall and the provision of music education services, it is possible that in future it may develop to become a strategic trust with a wider remit of arts and cultural provision in Bristol, working in partnership with other arts partners. The Trust's charitable objects are therefore

sufficiently wide to cover the arts in general, and this enables the organisation to advance any other charitable purposes selected by the trustees. This gives the Trust maximum flexibility to develop its activities over time and include activities such as heritage conservation (Colston Hall is a historic building) if the trustees agree this to be appropriate.

Public Benefit & Pricing Policy

The trustees have taken The Charity Commission's specific guidance on public benefit into consideration in preparing their statements on public benefit contained within this Trustees' Annual Report. The objects of Bristol Music Trust are aimed at the general public in Bristol and the South West, which reflects the focus of Colston Hall and Bristol Plays Music on benefiting the community in Bristol and the surrounding area.

Charges are currently made to the public to attend performances and the intention is that this will continue. Charges will be in line with those charged by other charitable arts organisations and will be set at a level which takes into account the ability of the public to pay for tickets. Similarly, charges will continue to be made for some of the educational provision, but these are set at an affordable and benchmarked level. Bristol Music Trust's pricing policy aims to optimise the volume of sales and maximise income while maintaining a range of prices to encourage diverse and more frequent attendances from target groups.

Our headline pricing strategies are:

- Encouraging customers to attend less popular events through motivating price differences and special deals.
- Rewarding frequent customers and stimulating loyalty through members' incentives and multi-buy deals where appropriate.
- Encouraging early booking with early bird deals and by avoiding last minute discounting.
- Promoting accessibility by including lower price tickets and providing concessions for target groups such as young people where possible.
- Encouraging group bookings through group deals.
- Promoting price differentiation in the auditorium through clear and strategic incremental price breaks.

These strategies are varied and adapted for different genres within the Hall's programme. Applicable pricing is dependent on the individual show, but generally we operate concessions for our International Classical Season targeted at young people, including schemes for under 18s (£1 tickets) and under 25s (£8.50 tickets). 8-25 year olds are offered free tickets for selected chamber concerts through our Cavatina scheme.

In addition, a number of performances and events are free for the public, including regular foyer performances and talks. Many of the educational workshops run by Bristol Plays Music are also free to young people. This ensures that people on lower incomes are not excluded from being able to benefit from the charity's activities. Anyone who requires assistance to attend an event at Colston Hall is invited to bring a personal assistant or companion who will be admitted free of charge.

Relationships with Related Parties

Bristol City Council has leased the Colston Hall (and associated assets) to Bristol Music Trust for a twenty-five year period at a peppercorn rent. All associated activities (the operation of Colston Hall and related music education activities) transferred to Bristol Music Trust under the terms of a Transfer Agreement, with

entrusted services to be discharged by Bristol Music Trust defined under the terms of an Entrustment Agreement. Compensation is payable by Bristol City Council for the provision of the entrusted services under the terms of a Service Level Agreement, with grant funding agreed in advance for a multi-year funding period to deliver the entrusted services against measurable outcomes. Under the terms of the lease, Bristol City Council retains responsibility for structural maintenance of the whole Colston Hall site and related service contracts for the old building, whilst Bristol Music Trust has responsibility for day to day maintenance of the new foyer and all other operational matters.

Bristol Music Trust enjoys a close relationship with Bristol City Council and compensation has so far been agreed at £1,176,000 per annum for three years from 2011/12 to 2013/14, and for a further four years from 2014/15 to 2017/18, less a pattern of annual repayments building to £150,000 and thus reducing funding to £1,026,000 in 2016/17. This core funding is assumed to carry on at current levels through the two years of the closure period, but has been budgeted to reduce by £500k upon reopening in 2020/21 to cover the costs of capital borrowing underwritten by Bristol City Council in relation to the capital project.

Bristol Music Trust owns 100% ordinary share capital in the subsidiary company BMT Enterprises Ltd. BMT Enterprises Ltd manages its commercial activities (including catering, hire of conferencing facilities and meeting-rooms at Colston Hall, and the provision of box office services to other arts organisations) for the benefit of the charity and all profits will be gift-aided to Bristol Music Trust on an annual basis. A cost sharing agreement is in place to ensure that BMT Enterprises Ltd pays Bristol Music Trust for its use of Colston Hall and other services.

ACHIEVEMENTS AND PERFORMANCE

Bristol Music Trust has now been trading for six years and we are well established as an artistically curious and financially well-managed organisation, with a national reputation for excellence and innovation, central to the cultural landscape of Bristol and the South West. During 2016/17 we have forged a wide range of artistic and commercial partnerships, and continued to develop an original and inspiring musical programme including weekend festivals and special one-off events, presenting more fantastic shows to an ever growing and diverse audience. We also have the unique distinction of managing a music education hub (with responsibility for delivering the National Music Education Plan to every child in the Bristol area), Bristol Plays Music, which is embedded within a professional performance venue, and which has recently won national recognition as joint winner of the Music Education Council Major Award 2016.

The Colston Hall's artistic programme and audience reach has continued to develop with the benefit of national portfolio organisation (NPO) funding from Arts Council England and our partnership with St George's Bristol. In similar fashion a major grant from Youth Music underpins our ambitious plans to forge new standards in musical inclusion and music education. We have a reputation for working creatively across all our work with a wide range of partners locally, nationally and internationally, championing accessibility in music performance and music learning, and bringing the very best music and entertainment to our city.

Transformation plans for the Colston Hall building have continued to develop and fundraising is on target with over £30 million already raised, thanks to the financial support of Bristol City Council, HM Treasury, Arts Council England, the Heritage Lottery Fund and some generous individual donors. However, we still need help and determination to achieve our ambitious plans which will turn our iconic building into something that we can all be proud of as a city, region and nation – a world-class concert hall fit for another 150 years to come.

Colston Hall

During the financial year 2016/17 Colston Hall presented 535 performances throughout the building (up 20% on prior year) to a total audience of over 270,000 (up 10%). We have enjoyed a programme of events across a wide variety of musical genres, as well as comedy, light entertainment, community/schools events and installations. The programme is comprised of hall lettings (where an external promoter hires one of our performance spaces) and our own funded programme of promotions and co-promotions. We have developed a strong artistic profile at Colston Hall, which is being recognised nationally, with a greater emphasis on festival programming and our own and co-promotions – now totalling 40% of shows in the main hall and over 50% in The Lantern. A total of £6.5 million gross ticket sales (including VAT) were generated from shows taking place during the year - £4.3 million generated by external promoters from hall lettings and £2.2 million from our own and co-promotions.

Over the past year, the Trust curated a unique programme of own and co-promotions comprising a significant number of shows that could not happen anywhere else in the City. Shows such as The Secret Life of Organs with The Necks & James McVinnie, The British Paraorchestra with the dance and circus group Extraordinary Bodies, contemporary dance show Breakin' Convention, Tindersticks performing their latest album with accompanying films, a screening of Paul Thomas Anderson's There Will Be Blood with live soundtrack by the London Contemporary Orchestra, a night dedicated to Prince with a screening of Purple Rain, as well as an evening celebrating David Bowie with performances of Philip Glass's symphonic interpretations of Heroes and Low. We also hosted Shirley Collins' return to live performance and invited the artists and film makers Iain Forsythe and Jane Pollard to create a unique sound installation in our cellars called Requiem for 114 Radios, which then went on to be exhibited at Somerset House in London. These shows are an essential component in our programme not only to enhance the artistic reputation of the hall within the City of Bristol but nationally and internationally as well. Other Colston Hall promotions in the main auditorium included Charles Bradley, Daughter, Hot 8 Brass Band & Quantic, Ernest Ranglin, The Gloaming, St Paul & The Broken Bones, King Creosote and Stornoway.

The financial year covers the latter part (Spring) of the 2015/16 classical season and the beginning (Autumn) of the 2016/17 season and many of the concerts in this period have been highly successful both artistically and financially. Concerts of note ending the 2015/16 season included the Moscow State Symphony Orchestra focussing on Rachmaninov and a sold out performance of the Royal Philharmonic Orchestra playing Holst's The Planets with accompanying film from the NASA archives. The 2016/17 season had a strong start with the Bournemouth Symphony Orchestra featuring the pianist Sunwook Kim whose international profile is rapidly expanding closely followed by the welcome return of The Hallé and their much lauded conductor Sir Mark Elder. Further highlights included a collaborative concert with the Philharmonia and Bristol Choral Society and the St Petersburg Philharmonic Orchestra, which sold more tickets than any other classical concert since the Bristol Music Trust was formed. Whilst the classical subscribers continue to provide a significant proportion of our ticket sales we are finding sales are also strong with non-subscribers looking to buy for individual concerts instead, and this success is attributable in part to the audience development initiatives undertaken and supported by our NPO funding.

Colston Hall has presented a total of 198 shows in the main auditorium, hosting high profile concerts brought to us by national promoters such as Laura Marling, Gregory Porter, the last tour of Bellowhead, Explosions in the Sky, Father John Misty, Chris Cornell, Brian Wilson, Burt Bacharach, Bonnie Raitt, Nashville, Joe Bonamassa, KT Tunstall, Jools Holland, Cinematic Orchestra, Regina Spektor, Nathaniel Rateliff & The Nightsweats,

Passenger, Black Stone Cherry, Beth Hart, Human League, Deacon Blue, Seth Lakeman, Travis, De La Soul, LeAnne Rimes, and Granddaddy. Colston Hall also hosted a significant number of comedy shows with high profile names including Bill Bur, Jim Jefferies, Sarah Millican, Catherine Tate, Reeves & Mortimer, Ricky Gervais, Henning Wehn and Romesh Ranganathan. In addition, children's theatre was presented once again in the main hall during the summer with a week of performances of The Three Little Pigs.

Our second space, The Lantern, has a diverse programme of shows (245 in total) and Bristol audiences have grown to appreciate the eclectic "arts centre" approach to programming we have taken with a significant proportion of returning customers attending two or more shows a year. The majority of shows are our own or co-promotions and in the year 2016/17 the programme included Damien Jurado, Ought, Criolo, Julia Biel, Three Trapped Tigers, ONRA, Teddy Thompson, Cate le Bon, Black Lips, Slow Club, Moon Hooch, Matmos, Frank Fairfield & Alisdair Roberts, Mbongwana Star, Darius Brubeck Quartet, Sona Jobarteh, The Jayhawks, Jesu & Sun Kil Moon, Head Hunters, Karen Matheson, Stars of the Lid, Boiler Room, Yussef Kamaal, Bad Plus, Kristin Hersh, Binker & Moses, Jon Boden, Lanterns on the Lake, Mutual Benefit, Glen Matlock, Nomade Orquestra, Cat's Eyes, Robert Glasper, Eliza Carthy & The Wayward Band, Hurray for the Riff Raff, Chatham County Line, Neil Cowley Trio, Lack of Afro, Daniel Lanois, Bill Laurance Group, David Rodigan, Amp Fiddler and Ibibio Sound Machine.

Comedy performers in The Lantern included Eddie Izzard, Sara Pascoe, James Acaster, Paul Foot, Jo Caulfield, Sofie Hagen, Jonathan Pie, The Noise Next Door, Craig Campbell, and Gary Delaney. In 2016/17 Bristol Music Trust worked in partnership with Bristol Old Vic hosting their young person's Christmas show Little Tim through December 2016 and early January 2017 (53 shows).

We continued with our lunchtime series of classical concerts partnering with the Royal Academy of Music and Young Classical Artist Trust (YCAT), as well as promoting an eclectic range of Colston Hall Foyer performances, offering opportunities to up and coming local artists and young people, along with more established names. During the summer we also offered a series of evening outdoor shows up on our terrace bar.

Over the last year, Colston Hall also hosted six original festivals:

- Bristol New Music Festival (May 2016) – whilst smaller in terms of programme than the inaugural festival in 2014 this biennial event nevertheless featured a number of high profile artists in 2016 including the Max Richter Ensemble and Kronos Quartet. The 2016 festival also featured an ambitious installation piece in the Colston Hall cellars by the renowned artists and film makers Iain Forsyth and Jane Pollard called *Requiem for 114 Radios*. Featuring recorded vocals by various artists including Jarvis Cocker, Jimi Goodwin, Beth Orton, Matt Berninger, and Jehnny Beth being played through 114 transistor radios this project received national media coverage including a number of news pieces on BBC 6 Music.
- Fast Forward Festival (June 2016) – featuring a wide range of fun activities and events throughout the day (also BBC Music Day), including music production workshops, Aardman's 40th Birthday celebrations (with a performance from Shaun the Sheep's Vegetable Orchestra), UWE's Music Tech final show and more. The event was rounded off by The British Paraorchestra, performing Terry Riley's classic minimalist piece 'In C' in conjunction with an eye-catching circus show by Extraordinary Bodies to close the festival
- Bristol Americana Weekend (July 2016) - hosted once again across Colston Hall and St George's, Bristol, this was our second Americana weekend and featured performances from Lucinda Williams, Mary Chapin Carpenter, Frazey Ford, The Hillbenders, Howe Gelb, The White Buffalo, Applewood Road, and Lisa Mann. We built on our audience numbers from the first year and hope to continue to do so in year three in 2017 when the weekend will only be taking place at Colston Hall due to refurbishment work at St George's.

- Hoo Ha Festival (August 2016) – Our summer children’s festival returned bigger and better than ever with foyer performances being packed to capacity on some days thanks to the excellent work of BBC presenter Andy Day whose Dinosaur Raps were a particular highlight. We had more events in the main hall than previous years including the Bump Roller Disco and Going on a Bear Hunt. We also partnered with the arts/theatre group Bakehouse who provided a number of popular events around the Foyer.
- Simple Things (October 2016) – We once again partnered with Simple Things festival acting as the main hub for activity across the main hall, The Lantern and Foyer as well as the roof terrace for one day in October. The day featured performances from Warpaint, Death Grips, Steve Mason, Kanda Bong Man, Nina Kravitz, Ben UFO, Rival Consoles and many more.
- Bristol International Jazz & Blues Festival (March 2017) – sales increased yet again making this probably one of the most successful venue festivals in the UK. This year’s festival featured performances from Macy Gray, Quantic & Alice Russell, Mud Morganfield, Jason Rebello, Dinosaur, Andy Sheppard, Pee Wee Ellis and many more.

Where appropriate, we have programmed events outside of the Colston Hall spaces, as the capacity difference between The Lantern and the main hall is such that we can often miss out on certain artists because their ticket selling potential falls between these two spaces. If we develop the audience in Bristol for a certain artist at a grassroots level we want to continue to promote that artist as they grow in reputation, which often entails using slightly larger venues than The Lantern. Furthermore, programming concerts outside of the venue supports our audience development work and can raise the profile of the hall’s activity. Examples during the year have included St. Paul and the Broken Bones at Trinity Centre, and Loudon Wainwright III at St George’s, Bristol.

Bristol Plays Music

At the heart of Bristol Plays Music’s work is great music-making and learning. Whether it be through singing, strumming, bowing or composing, our education work sets out to encourage participation, engender a sense of civic pride and instil a lifelong love of musical culture. 2016/17 is Bristol Plays Music’s fourth full academic year and the most successful to date. We are starting to gain national recognition for our high-quality education work and have received two prestigious awards recognising the quality of our work: the Music Education Council Major Award for best music education hub, and the Music Teacher Awards for Excellence for best print resource for the Bristol Music Curriculum.

Bristol Plays Music now works in over 122 schools providing whole class ensemble tuition (WCET) and instrumental tuition to over 4,600 children each week, with other music education activities such as choirs and ensembles at our music centres, together with provision of support for a range of partner programmes, increasing our weekly reach to 8,500 children. By the end of the 2016/17 academic year (July 2017), 20,335 hours of charged, subsidised and free music tuition will have been delivered in schools and their communities.

In addition to music lessons, Bristol Plays Music supports teachers through a range of progressive initiatives, including the development of the ‘Music Curriculum for Bristol’, which is written by Bristol music teachers and is completely free and fully resourced. It has been downloaded more than 200 times and is the most widely used resource in Bristol schools. To accompany the Curriculum and support other areas of professional development, we offer a comprehensive continuing professional development (CPD) programme, which was attended by 170 teachers from 140 schools in the past year.

Despite the close relationship with schools there are still reasons to be concerned about the future of music education in Bristol. Schools across the region are experiencing a period of unprecedented change. Currently, the National Plan for Music Education's core and extension roles take Bristol Plays Music into nearly every school in Bristol (91%) where strong, confident relationships have developed. Yet, changes to the schools national funding formula will potentially leave Bristol as the worst affected city in England and Bristol's schools may lose nearly £34 million from their budgets. Primary schools are already feeling the impact of these changes and struggling to find sufficient resources to support music education. The picture for secondary schools is also complex, with subjects jostling for space within the curriculum and school finances under more pressure than ever before to deliver value for money in an increasingly target-oriented environment.

Whilst Bristol Plays Music has worked hard to support and develop music in Bristol's schools we also continue to support and develop meaningful music making opportunities for the region's most vulnerable young people. In its second year, our flagship inclusion programme, 'A New Ambition for Inclusive Excellence' has delivered 237 music sessions to 82 individual children and young people with special educational needs and disability (SEND) and 20 who are in care. The overall programme has worked with 27 partners, including 3 other music education hubs in the South West and a growing national musical inclusion network. 'The Hope Creative' is a music project for Children and Young People in Care and is run in two locations in the North and South of Bristol in partnership with The Hope Virtual School. Our related workforce development programme 'The Inclusive Practitioner' has delivered 25 individual CPD activities and 864 hours of mentoring to 48 music education professionals. From September 2017, this programme of professional development will be delivered as part of a level 4 Certificate for Music Educators qualification accredited by Trinity College. This work has been primarily funded by a three year Youth Music grant with additional support from other trusts and foundations.

Highlights from this year include:

- Every special school in Bristol for children with profound and multiple learning difficulties or who are physically disabled now has a school orchestra.
- Inclusive music-making sessions are now a regular fixture in the Colston Hall Foyer building.
- Monthly creative sessions for children in care are now an established part of the social care map with growing numbers and improving outcomes for those attending.
- Bristol Music Trust's annual Fast Forward Festival was, again, broadcast to millions of people with the only disabled-led regional youth orchestra (the South West Open Youth Orchestra) performing live on Radio 3's In Tune programme.

As a result of this work and its growing national profile, Bristol Plays Music announced this year that they will be setting up the 'National Centre for Inclusive Excellence', which will be based in the transformed and fully-accessible Colston Hall when it reopens in 2020. Between now and then, Bristol Plays Music will be working closely with music industry and higher education partners to develop routes into the music industry and higher education for the most talented young musicians with SEND and continue to embed the learning from A New Ambition for Inclusive Excellence.

Over the last year, Bristol Plays Music has made significant changes to our 'Creative Learning' programme at Colston Hall with a new emphasis on youth voice, industry access and professional development. 'Frequencies' which ran in partnership with Music for Youth focussed on popular music with industry panel discussions and showcasing young artists. The 'Musical Minds' consultation explored the views of young people across Bristol with partner organisation Sound Connections, and 'Springboard Live' gave young aspiring industry

professionals touring event production experience. Working in partnership with Stratford based organisation Urban Development, the 'Urban Artist School – Summer Academy' gave young musicians the opportunity to learn about recording and promoting music as part of the 'Ambition for Excellence' programme. The most significant new programme introduced in 2016/17 was 'Multi-Track' with financial support from Help Musicians UK and PRSF Talent Development Partner Funding. The Multi-Track programme is a series of professional, talent development pathways designed to appeal to a diverse inner city demographic.

The 'Listen-Create-Perform' programme of concerts, festivals and events provided high quality participatory music and dance opportunities reaching over 20,000 children across the greater Bristol area. There are several examples of the scope and impact of this work including the Bristol Schools' Music Society Summer Concerts which celebrated all things Bristol with 1,386 pupils from 38 schools performing over 3 nights at Colston Hall. The Stages dance extravaganza welcomed 1,800 children performing over 3 nights at Colston Hall. In addition, there were several free symphonic concert and participatory events for schools with the Bournemouth Symphony Orchestra including 'Elements' which explored the musical themes of air, earth, fire and water.

During the year, 'Beat Lab', Bristol Plays Music's subsidised music technology education programme, reached more young people than ever before. Workshops have included 'Touch', a 6-hour music production course involving 204 pupils in 7 schools; and 'Conductive Music' two-day workshops exploring electronics, engineering and coding through music technology, which reached over 800 pupils in 12 primary and secondary schools. Beat Lab also partnered with Bristol Museum for a two-day song writing project for 13 teenagers to create music in collaboration with curators, inspired by items from the museum's collection. The team also delivered CPD to over 50 teachers, demonstrating easy ways to use music technology in classroom teaching.

The year also saw Colston Hall's 'Young Companies in Residence' programme, consisting of the Bristol Youth Orchestra and the Bristol Youth Choir, go from strength to strength. Orchestral highlights included masterclasses with the London Symphony Orchestra, Guildhall School and Really Classical. The 180-strong Bristol Youth Choir highlights include performances at BBC Proms, BBC Music Day live on BBC Radio 3's In Tune, BBC Songs of Praise and BBC Breakfast.

Organisational

The Trust has a proven track record of effectively managing the charity's resources, utilising a commercial, value for money approach within an appropriate and robust governance framework to deliver exceptional artistic and educational outcomes for our audiences and young people. An experienced executive team and skilled workforce have brought creativity, passion and commitment to the work of the organisation, and we have consistently met our strategic objectives increasing both the range and reach of our activities.

We have continued to develop our commercial operations to support the charitable work of the Trust and profits of £221,294 (2015/16: £201,970) have been gift aided to the parent company by the trading company BMT Enterprises Ltd. During the year we have reviewed and improved our offer in the Colston Hall Bars, introducing a new EPOS system and an online and smartphone pre-ordering service; whilst our catering concession with Bath Ales (now owned by Cornish brewer St Austells) has performed better than ever, in particular with the popularity of Colston Hall Beerd restaurant, offering pizza and craft beer throughout the day; we have also further increased our conference business by flexible and creative use of our unique spaces, with a steady stream of repeat bookings.

Colston Hall is recognised for achieving excellence in our customer service and providing a first class experience for all our visitors is at the heart of our brand. During 2016/17 we are proud to have achieved the government standard Customer Service Excellence Award for the seventh consecutive year, and for the last two years compliance plus, the highest level awarded. We continue to work closely with the charity Attitude is Everything to review and improve our accessibility offer and, despite the restrictions of the old Colston Hall building, achieved a bronze accreditation for their Charter of Practice.

Partnership working continues to be key to both our artistic and commercial success and underpins our contribution to Bristol's musical, cultural and economic life. We enjoy partnerships with some of the South West's most successful businesses and have continued to build on strong public and corporate support for our music and educational activity. 2016/17 saw us working with Renishaw, Pukka Herbs, Brewin Dolphin and DAC Beachcroft amongst many others. Our Colston Hall membership scheme has consistently proved popular with over 1,600 memberships purchased during the year, including over 600 renewals. Individual donations via the Colston Hall website have increased, whilst now over 25 individuals have pledged their support by joining the Colston Hall Patron Scheme.

In addition to the support we have received from Bristol City Council, we have raised over £1.4 million total voluntary funds for our music and education programmes, whilst Bristol Music Trust activities during the year have directly contributed nearly £11 million to the local economy, with an impact both economically and socially that is much wider-reaching.

Colston Hall Redevelopment Phase 2

The trustees and staff of BMT are passionately committed to delivering the Colston Hall transformation project to give the region the outstanding concert hall it deserves, working tirelessly to move the project forward. We are continuing to work towards commencing the building development project in the summer of 2018, and huge progress has been achieved over the past year in terms of advocacy and fundraising, as well as detailed building design development and consultation.

Crucially there is a high degree of cross-party and cultural partnership support for this key South West project. Our 'Thank you for the Music' capital campaign has now raised over 60% of the £48.8 million target, including £10 million committed from Bristol City Council, £5 million from HM Treasury, invitations to make a Stage 2 Arts Council England application and a Round 2 Heritage Lottery Application for funding of £10 million and £4.75 million respectively, plus a generous individual donation of £500,000. Working in partnership with Bristol City Council, Arts Council England, Heritage Lottery Fund and the skilled Colston Hall Project Team (including architects Levitt Bernstein), we are on track to take design plans to RIBA Stage 3 by May 2017 with a planning application pending. The designs for the building project are progressing well and a public consultation took place in February 2017. We are confident that the building designs will raise standards to those of the best halls in Europe while maintaining a style that is unique to Colston Hall and to Bristol.

A transformed Colston Hall is fundamental to the artistic and business success of Bristol Music Trust and the ability to continue to deliver on its charitable objectives, with a substantial positive ongoing effect on the organisation's financial performance and resilience. During the year we have continued to develop our Business Plan to 2040, which summarises the anticipated business impact on Bristol Music Trust of delivering Phase 2, and considers the artistic, operational, financial and strategic implications of the preferred option design which underpinned our successful capital funding applications.

Our financial assessment and planning process utilises the executive team's knowledge and expertise as well as that of our trustees, and in consultation with our design team, Bristol City Council stakeholders, and other relevant experts we have created a detailed business model based on realistic and tested assumptions. At each stage we have also identified risks to the model and appropriate mitigations, and modelled the impact of the development on all of our income and cost streams. The organisation has a proven track record of both inspirational music programming and sound financial management, and the business plan, though clearly artistically and culturally aspirational, is rooted in the achievable and supported by the sound commercial considerations built into the building development plans.

The building design has evolved alongside our business planning process and the requirements of our commercial model are fully integrated into the current preferred option. We are therefore confident that the improved performance anticipated as a result of the transformation is sustainable for the long term and enables the organisation to build its financial resilience through both its charitable and trading activities. An earlier iteration of the business plan also considered the design options identified in Levitt Bernstein's options appraisal work, and identified the preferred option as best to meet the overall project objectives and create a Colston Hall of international quality, with additional income generating spaces and enabling a sustainable increase in overall business performance from reopening.

Our modelling demonstrates that a significant and sustainable increase in audiences, income generation, and business resilience will result from the building transformation. Key improvements include:

- Increased capacity and improved customer experience deliver higher audiences and ticket income.
- Higher quality and flexibility of the spaces supports a diverse and innovative world-class programme generating more concert and commercial business.
- State of the art music production and rehearsal facilities for hire as well as internal use.
- Improved technical facilities enable a faster turnaround allowing the building to work harder.
- New areas of commercial income e.g. graduation ceremonies on accessible main stage.
- Sought after conferencing facilities including more multi-purpose, breakout spaces.
- Improved and dedicated bar facilities support greater customer spend.
- Attractive and profitable public catering facilities including in the historic colonnade.
- New operational systems will be more efficient and less labour intensive.
- A confident successful organisation will attract sponsors and funders.

FINANCIAL REVIEW

Financial Results

Bristol Music Trust's sixth year of activity from 1 April 2016 to 31 March 2017 has resulted in an overall net increase in funds of £294,912 on total income of £7,625,404 (2015/16: £7,362,313). An unrestricted operational surplus of £66,632 has been generated (exceeding budget expectations with a strong performance across all activities) which, in addition to the £644,604 brought forward from 2015/16, gives £711,236 in unrestricted funds to be carried forward into 2017/18.

There has been a net increase in restricted funds over the year of £228,280 on the £80,136 balance brought forward from 2015/16 due to the timing of grant activity, and donations made to the Colston Hall building

project, and £308,416 will be carried forward. Total fund balances of £1,019,652 (2015/16: £724,740) will therefore be carried forward to the next financial year.

The charity received unrestricted funding of £1,026,000 from Bristol City Council and £243,750 NPO funding from Arts Council England to enhance our music programming and audience development activities during the year. Additional unrestricted voluntary funding of £190,902 has been generated for day to day activities from public donations and corporate sponsorship, and from both the Colston Hall membership and patron schemes.

Total grants of £968,979 (restricted) have been received from funding organisations to support the Trust's music and educational programmes, including the annual music education grant from Arts Council England (£540,095) and a major grant from the Youth Music Foundation (£166,000) to deliver Bristol Play's Music's New Ambition for Inclusive Excellence programme.

In addition, £146,771 funding has been received thus far for the Colston Hall capital transformation project, the bulk of which is carried forward (less the Trust's expert client representative costs) and will be transferred to Bristol City Council to support project development work completed in the year ahead, with the Colston Hall closure date and building commencement planned for June 2018.

The charity benefited from a gift-aided contribution of £221,294 (2015/16: £201,970) representing the total net profit of its subsidiary company BMT Enterprises Ltd for the same period. The profits of the trading subsidiary company have arisen from the provision of services in relation to conferencing and meeting-room hire, the Colston Hall stalls and terrace bars, the catering concession running the café/restaurant, and box office services to external arts organisations.

Total net assets (total assets less current liabilities) and charity funds of £1,019,652 are reported as at 31 March 2017 (2015/16: £724,740), an increase of just over 40% year on year. Cash at bank and in hand totals £3,327,247 (2015/16: £2,852,024) of which £1,928,338 (2015/16: £1,728,659) relates to Colston Hall advance ticket sales. The trustees have agreed that the designated Fixed Asset Fund should be sufficient to cover the organisation's fixed asset costs as at the financial year end (£66,325), and therefore approved a transfer of £3,786 from the General Fund as at 31 March 2017. The trustees have also approved a transfer of £18,853 to the General Fund from the Bristol Plays Music Fund to reflect the operational deficit in relation to our music education operations for the year.

Reserves Policy

The total level of free reserves or General Fund (that is funds not tied up in fixed assets or designated or restricted funds) as at the end of 2016/17 is £490,164 (2015/16: £408,465). The trustees forecast that Bristol Music Trust will be operating with relatively low levels of reserves prior to the completion of the Phase 2 development of Colston Hall. The trustees regularly review the reserves policy, and have developed a strategy to build the charity's general reserves over time once the building project is complete. The trustees have agreed to target to maintain a minimum level of free reserves that equates to at least one month of budgeted staff costs (£216,800 from April 2017) and aim to build this to three months over time.

Investments Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment that

the Board of Trustees sees fit. The trustees have agreed that cash in relation to advance ticket income for upcoming shows (including commercial hires) be held in a separate Bristol Music Trust bank account from the main operational account to effectively and transparently manage the Trust's operational cashflow, and this is shown separately in the Balance Sheet as at 31 March 2017, and reported within the total deferred income liability (see note 15).

FUTURE PLANS

In the year ahead, there is a need to keep up the artistic and educational momentum of previous years and simultaneously to plan new areas of work, progress capital fundraising, push forward the transformation project, and finalise our closure strategy to ensure that we maintain a musical presence and impact during the closure period without the benefit of performance spaces in the old building. We are now at the stage where the event programme in the main hall would normally be scheduled for June 2018, but are instead turning away business in anticipation of the closure, with the exception of events that can be held in the Colston Hall Foyer building which will remain open. In the months to come we will be further developing our closure plans in discussion with promoters, commercial partners, local venues, and staff.

As part of the strategy for delivering the transformation project we will continue to focus on advocacy, communication, and the development of key stakeholder relationships to support our work and fundraising campaign. In the year ahead, Stage 2 funding applications will be made to Arts Council England and the Heritage Lottery Fund, as well as additional applications to the West of England Local Enterprise Partnership and major trusts and foundations. We will also launch our individual giving campaign and investigate opportunities for corporate support and naming rights. The Trust has a stated commitment to inclusion, equality and diversity in the work that it does, but believes that the Colston Hall name has become a barrier to delivering on that commitment, and that the redevelopment presents an opportunity to review and address this issue in consultation with stakeholders and community groups.

Upon reopening in 2020/21 we are confident that there will be a sustainable increase in audiences, income generation and business resilience resulting from the transformation and increased flexibility of the building and spaces, the diversity and quality of the programme, and an expanded commercial offer.

Bristol Music Trust's strategic vision for the next four financial years, through closure in 2018 and the historic reopening in Spring 2020 is to ensure that:

- We work successfully with our partners to deliver a transformational vision for Colston Hall and Bristol Plays Music by 2020 and put music at the heart of Bristol and the South West.
- The £48.8 million Colston Hall Phase 2 Redevelopment project will be delivered to budget and on schedule, reopening in 2020 to become an internationally recognised, world-class, fully accessible and sustainable centre of music and learning within our iconic historic building in the heart of the City.
- The main hall will have international standard facilities which will allow us to attract the very best musicians and performances of all types of music, enhancing the audience experience and the Trust's reputation for creative excellence and diversity.
- The refurbishment, restoration and improvement of The Lantern will celebrate its original architecture and history whilst becoming fully accessible to artists and audiences, inspiring a wide range of performances, showcasing emerging artists, whilst also providing a flexible space for community and commercial activities.

- The historic cellars will be opened for the first time to create an atmospheric third performance space and a home for Bristol Plays Music, providing world-class spaces for education and enterprise in partnership with local music colleges, and including a newly established National Centre for Advanced Training - Music Learning for young people with special educational needs and disabilities.
- By 2020 our innovative music education programme has pledged to make an impact on every single child in Bristol as we channel the power of music and the arts into future generations across the region. Bristol will become the 'UK Capital of Young People's Music', providing equality of access to performance and educational opportunities in partnership with Colston Hall, and developing a leadership role in all aspects of music education city wide.
- The Trust continues to be financially secure and commercially astute, building business resilience and maximising funds available for artistic and educational objectives, whilst making a significant contribution to the economic prosperity of the region.
- Our organisational culture will continue to be creative, motivated, diverse, flexible, collaborative and professional and this will be underpinned by appropriate HR policies and procedures, training and development, and managerial support.
- We will deliver an innovative music strategy during the closure period from June 2018 to 2020, promoting shows across the City as well as hosting a range of original events in the Colston Hall Foyer building.
- We continue to build creative partnerships with local, national and international artists and organisations, to inspire and energise our music and educational programmes, and ensure that Bristol remains a cultural city where the arts thrive and excellence is rewarded.

Colston Hall

Colston Hall will present a full musical programme in 2017/18 that will maintain our broad appeal whilst also building on our reputation both within the region and nationally for presenting new, unique and challenging work, and hosting inspiring festivals and one-off events. 2017 is also a significant year as we celebrate the Hall's 150th anniversary with a range of special musical performances culminating in a birthday concert in September, at which we will officially launch our public Individual Giving Campaign in support of the building redevelopment.

Although we were unable to secure a site for an alternative dedicated structure during the closure period, we are instead planning an exciting 'pop-up' approach promoting a small number of shows at alternative and interesting venues across the City and region. We will also make imaginative usage of the Foyer, programming a range of events from intimate Lantern-style shows to whole-building club nights and festivals. This activity will aim to maintain our artistic profile and stakeholder relationships, whilst generating commercial income to support our closure costs and retaining where possible our talented and committed team of staff.

The overall strategic priorities for the Programming team are to:

- Further build Colston Hall's reputation as an exciting, vital, inclusive concert space presenting a programme that enhances BMT's reputation as a leading cultural organisation within the city as well as nationally.
- Maintain a high level of our own promotions at the Hall alongside shows presented by national promoters to provide a distinct, confident and coherent offer that is representative of our artistic vision and ambition, and reflects the demographic of Bristol audiences. Our programme must offer those unique shows and projects that could not and would not happen elsewhere in the city.

- Maintain a forward thinking approach to programming with a willingness to take risks on contemporary and classical concerts. NPO investment will allow us to take creative risks and expand the programme and develop projects that will take place in the hall and outside as well.
- Develop audiences for higher risk projects and promotions by building greater trust amongst the audience for what Colston Hall presents. Actively use our audience data to grow our understanding of Colston Hall's current and potential audience to grow attendance across all musical genres and further build audience confidence in the Colston Hall brand.
- Ensure the programme, artists and audience reflect Bristol's diverse culture.
- Continue to develop The Lantern as a unique space with an identity of its own separate to that of the main hall and build on its reputation among audiences for quality and eclectic programming.
- Promote concerts in spaces outside of the hall to enhance the Colston Hall brand across the city whilst the venue is operational and then look to increase this side of the programme during refurbishment. This presents BMT with the opportunity to work with up and coming artists in smaller venues, mid-scale artists in more appropriate spaces, and high profile artists and projects that have grown too big for the hall.
- Extend the classical programme to include more challenging work and work with higher profile orchestras, conductors and soloists to ensure future seasons remain fresh and attractive to new and existing audiences. A priority is to further build classical audiences over the next year through improved marketing, imaginative programming and a high quality offer.
- Develop the Hall 3 cellar space programme after refurbishment giving it a unique identity and attracting new audiences.
- Work closely with Bristol Plays Music to further integrate education and development opportunities with our music programming culminating in a long-term strategy across the two teams.
- Further develop family audiences with a range of family friendly shows, children's theatre and events during the summer season to increase younger audiences and occupancy of the Hall during the traditionally quiet summer period.
- Build on our national reputation for hosting inspiring festivals and one-off events. We also aspire upon reopening to produce work in house that will premiere at Colston Hall and have a life beyond as a touring proposition.
- Further develop family audiences with a range of family friendly shows, children's theatre and events.

Bristol Plays Music

Looking to the future, our Bristol Plays Music education and engagement programme will expand to include Bristolians of all ages and from increasingly diverse backgrounds, and continue to make significant progress toward achieving its vision of making Bristol the 'UK Capital of Young People's Music'. At the heart of our work is great music making and learning. Whether it be through singing, strumming or dancing, the programme sets out to encourage participation, engender a sense of civic pride and instil a lifelong love of musical culture.

Our music education work will continue as normal during closure with workshops and performances taking place in the Foyer, the Bristol Plays Music Centre in Southmead and at partner venues around the City. Bristol Plays Music believes that the children and communities who are in greatest need, need the greatest support and over the next four years, as the transformation of the Hall comes into focus, a sharper vision for education and engagement will be required; one that is better aligned to the strategic priorities and reflecting a deeper sense of responsibility across greater Bristol. Looking ahead, Bristol Plays Music will work in close partnership

with the Programme team to further integrate education events into the artistic output of the Hall and maximise the opportunities made possible through a world-class live music programme.

There are three key branches of work which will be at the heart of this vision and the strategic priorities for Bristol Plays Music are to:

- Develop a Centre for Inclusive Excellence which supports a new advanced national training programme for young musicians with SEND and provide accredited training courses for music practitioners. The centre will ensure young people can achieve their potential regardless of background or circumstances and will provide a base for the South West Open Youth Orchestra. The centre will continue to build on several significant partnerships with organisations including: OpenUp Music, Live Music Now, Drake Music, BBC Music and the British Paraorchestra.
- Enhance our Creative Learning programme which offers both artist development and community engagement. 'Listen. Create. Perform' will ensure that communities across Greater Bristol engage with the Hall and experience live music as audiences, creative participants and performers. For many children, this is their first experience of a professional concert hall. The programme also makes spaces available to schools, cultural and community organisations. 'Artist Development' will support a new strategic commitment to 'develop the music professionals of the future', providing industry experience across a range of professions and showcasing and promoting the quality of Bristol's music scene. Artist development will also benefit from close relationships with FE and HE providers, in particular working in partnership with UWE's music and performance enrichment programme and the new BA (Hons) Music programme.
- The work of the music education hub will meet our strategic priority 'Music in Schools and Their Communities' and ensure that with a commitment from the Department for Education to fund hubs until March 2020, we can continue to deliver the National Plan for Music Education through core and extension roles, as well as by funding partner programmes such as Preludes and 3rd Space Music. New partnerships are currently evolving with the London Symphony Orchestra, Sing Up, Cathedral Trust, Tomorrow's Warriors and Serious.

In addition, over the next four years, education and engagement will become part of a national strategic partnership, sharing best practice and areas of innovation with Barbican Centre and The Sage Gateshead. The partnership will explore a national, joined-up approach to cultural infrastructure and focus on how modern concert halls can make greater social connections with communities through cultivating engagement in the arts and culture, from early years to life-long-learning. The partnership will also explore the role of technology in teaching and learning in the arts and how it can enhance audience experience.

Trustees' & Directors' Responsibilities in the Preparation of Financial Statements

The trustees (who are also the directors of Bristol Music Trust for the purposes of company law) are responsible for preparing the trustees' annual 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 as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the trustees and directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and FRS 102;
- 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;
- 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, which 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 Companies Act 2006 and Charities Act 2011. 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. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Auditor

RSM UK Audit LLP was appointed during the financial year 2011/12 and have been reengaged for the financial year 2016/17. They have indicated a willingness to continue in office.

Statement as to Disclosure of Information to the Auditor

The trustees and directors at the date of approval of this Trustees' Annual Report confirm that so far as each of them is aware, there is no relevant audit information of which the charity'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 Board of Trustees on **26 June 2017**, and was signed on their behalf by:

.....
Henry Kenyon (Chair)

Opinion on Financial Statements

We have audited the financial statements of Bristol Music Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2017, which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 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.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees'/Directors' Report and the incorporated Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient 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 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.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 26 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Kerry Gallagher

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

..... **2017**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Income					
Voluntary income	1	1,460,652	968,979	2,429,631	2,284,617
Charitable activities	2	4,144,170	-	4,144,170	4,074,562
Other trading activities	3	1,043,789	-	1,043,789	991,432
Investment income	4	7,814	-	7,814	11,702
Total income		6,656,425	968,979	7,625,404	7,362,313
Expenditure					
Raising voluntary income	5	49,154	-	49,154	63,962
Charitable activities	6	5,718,144	740,699	6,458,843	6,470,816
Other trading activities	5	822,495	-	822,495	789,462
Total expenditure		6,589,793	740,699	7,330,492	7,324,240
Net income/(expenditure)	9	66,632	228,280	294,912	38,073
Transfers between funds		-	-	-	-
Net movement in funds	16	66,632	228,280	294,912	38,073
Total funds brought forward		644,604	80,136	724,740	686,667
Total funds carried forward	16	711,236	308,416	1,019,652	724,740

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure for the year derive from the charity's continuing activities.

	Notes	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Fixed assets					
Tangible assets	10	66,325	62,539	59,471	49,509
Investment in subsidiary	11	-	-	1	1
Total fixed assets		66,325	62,539	59,472	49,510
Current assets					
Stock	12	19,050	23,860	-	-
Debtors	13	405,564	604,980	578,587	745,444
Cash at bank and in hand					
- Operational		1,398,909	1,123,365	1,200,508	936,430
- Advance Ticket Sales		1,928,338	1,728,659	1,906,861	1,715,100
Total current assets		3,751,861	3,480,864	3,685,956	3,396,974
Total assets		3,818,186	3,543,403	3,745,428	3,446,484
Liabilities					
Creditors falling due within one year	14	(2,798,534)	(2,818,663)	(2,725,776)	(2,721,744)
Net current assets		953,327	662,201	960,180	675,230
Total assets less current liabilities		1,019,652	724,740	1,019,652	724,740
The funds of the charity					
Restricted funds	16	308,416	80,136	308,416	80,136
Unrestricted funds	16				
- General fund		490,164	408,465	497,018	408,465
- Designated funds		221,072	236,139	214,218	236,139
Total charity funds		1,019,652	724,740	1,019,652	724,740

The financial statements on pages 29 to 44 were approved by the Board of Trustees on **26 June 2017** and are signed on their behalf by:

.....
Henry Kenyon (Chair)

Company Number: 07531978

	Notes	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash generated by operating activities	18	517,305	440,327	489,311	308,353
Cash flows from investing activities					
Interest income		7,814	11,702	7,814	11,702
Purchase of tangible fixed assets		(49,896)	(15,255)	(41,286)	(15,255)
Total cash flows from investing activities		(42,082)	(3,553)	(33,472)	(3,553)
Cash flows used in financing activities		-	-	-	-
Increase in cash in the year		475,223	436,774	455,839	304,800
Total cash brought forward		2,852,024	2,415,250	2,651,530	2,346,730
Total cash carried forward		3,327,247	2,852,024	3,107,369	2,651,530

The principal accounting policies adopted, judgements, and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP) applicable to charities preparing their accounts and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

Bristol Music Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by Charities SORP and FRS 102 the restatement of comparative items was required. In their estimation, the impact of transitioning is not material to the financial statements and therefore the restatement of comparative items is not required. The transition date was 1 April 2014.

BASIS OF CONSOLIDATION

The group Financial Statements consolidate the results of the parent charitable company and its subsidiary undertaking for the year ended 31 March 2017 using the acquisition method of accounting. Intra group transactions and profits are eliminated fully on consolidation. A separate statement of financial activities, dealing with the results of the parent charity entity only has not been presented as permitted by section 408 of the Companies Act 2006. The parent charitable company made a total surplus for the year of £294,912 (2016: £38,073) including restricted funds.

GOING CONCERN

The trustees have presented the accounts on a going concern basis. The assumption relies upon the continuation of the Bristol City Council grant funding for the coming year and the foreseeable future and formal agreement is in place to 2017/18.

INCOME

Voluntary income includes our service funding from Bristol City Council which is of a general nature. Grant funding received in relation to specific projects (for example education projects) is recognised as restricted funding, and is accounted for on an accruals basis, matched to the period in which the educational activities occur.

Income from charitable activities includes hall hire income, box office sales from our own promotions, income from our educational activities, and box office booking fees. It is recognised as earned income in the year which the related goods or services are provided. Charitable activity income is deferred when box office sales or bookings are received or invoiced in advance of the performance or event to which they relate. Advance ticket revenue for future lettings, and therefore due to external promoters, is included in deferred income (note 15).

EXPENDITURE

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

Expenditure on raising voluntary income includes direct and indirect costs associated with our fundraising activity.

Expenditure on charitable activities includes costs associated with the staging of performances, events, and our educational activities, and includes both the direct costs and support costs relating to these activities (including costs incurred in the governance of the charity and its assets).

Expenditure on other trading activities includes costs associated with commercial trading operations (catering, hire of conferencing facilities and meeting-rooms at Colston Hall, and the provision of box office services to other arts organisations) through BMT Enterprises Ltd, and includes both the direct costs and support costs relating to these activities.

Bristol Music Trust leases the Colston Hall premises, and certain fixed assets within the hall at the time of transfer of business operations, from Bristol City Council at a peppercorn rent. It is not considered possible to determine the open market value of the facility and therefore no rental charge has been recognised in the Statement of Financial Activities.

TERMINATION PAYMENTS

Termination payments are payable when employment is terminated before the normal retirement date or end of employment contract. They are recognised when the commitment to payment is made.

TANGIBLE FIXED ASSETS

All tangible assets purchased that have an expected useful economic life that exceeds one year and a value of more than £1,000 are capitalised and classified as fixed assets. Any equipment or assets purchased for less than £1,000 per item will be accounted for as expenditure in the year of purchase. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Furniture, fixtures and fittings	3-5 years straight line
Computer equipment	3 years straight line
Technical equipment	3-10 years straight line
Plant & Machinery	3-10 years straight line
Catering equipment	3 years straight line

Bristol City Council has agreed that assets (catering equipment, technical equipment, plant and machinery, furniture, fixtures and fittings) associated with the running of the Colston Hall and contained within the building at the start of the lease will be left at the premises for the term of the 25 year lease as part of the lease agreement. Ownership of these assets is retained by the Council and these assets (or equivalent assets in the

same condition) will be returned to the Council at the end of the lease, and therefore should not be recognised as assets by the charity. It is the opinion of the trustees that all such assets are of a low fair value and as such would be immaterial to the financial statements. This excludes the two Steinway pianos which must be maintained by the Trust as part of the lease agreement. Where tangible assets are purchased as replacements they will be recognised as assets by the charity and depreciated in accordance with the policy above.

STOCKS

Stocks are valued at the lower of cost and net realisable value.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership (“finance leases”), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the statement of financial activities in proportion to the remaining balance outstanding.

All other leases are “operating leases” and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

PENSION CONTRIBUTIONS

The charity has introduced a defined contribution pension scheme for employees with Royal London, and a defined contribution pension scheme for casual workers with the National Employment Savings Trust. The assets of both schemes are held separately from those of the charity. The annual employer’s contributions are charged to the Statement of Financial Activities.

Bristol Music Trust employees who were TUPE transferred to the organisation from Bristol City Council retain their membership of the Local Government Pension Scheme (a defined benefits scheme). The assets of the scheme are held separately from those of the charity. The employer’s contributions rate was assessed at 14.7% at the time of transfer based upon details of the employees who transferred over. The transfer agreement states that potential increases to this rate (over 17.2%) after future assessments will be covered by a corresponding increase in Bristol City Council grant funding to avoid any financial risk to the charity. As such the scheme is treated as a defined contribution scheme in accordance with FRS17 Retirement Benefits.

Bristol Music Trust employees who were TUPE transferred to the organisation as members of the Teachers’ Pension Scheme (a defined benefits scheme) retain their membership of this scheme. The company contributes to the Teachers’ Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the company. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme. Further details are provided in note 19.

FUND ACCOUNTING

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objectives of the charity.

Designated funds are a particular form of unrestricted funds consisting of amounts which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the accounts. Amounts unspent at the year-end are carried forward in the balance sheet.

1. VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	Total funds 2017	Total funds 2016
	£	£	£	£
Bristol City Council – core funding	1,026,000	-	1,026,000	1,126,000
Music education hub funding	-	540,095	540,095	532,416
Other grants	293,750	-	293,750	293,722
Trusts and foundations	-	380,992	380,992	142,207
Individual donations	30,497	3,425	33,922	24,005
Patrons	17,882	44,467	62,349	14,874
Memberships	41,048	-	41,048	29,893
Sponsorship	51,475	-	51,475	121,500
Total voluntary income	1,460,652	968,979	2,429,631	2,284,617

Voluntary income was £2,429,631 (2016: £2,284,617) of which £1,460,653 was unrestricted (2016: £1,560,022) and £968,978 was restricted (2015: £724,595).

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds 2017	Total funds 2016
	£	£	£	£
Hall and space lettings	953,216	-	953,216	786,062
Own and co- promotions	1,868,914	-	1,868,914	1,976,504
Education activities	812,870	-	812,870	859,471
Other event income	509,170	-	509,170	452,525
Total income from charitable activities	4,144,170	-	4,144,170	4,074,562

Income from charitable activities was £4,144,170 (2016: £4,074,562), this was all unrestricted (2016: all unrestricted).

3. NET INCOME FROM TRADING ACTIVITIES (BMT ENTERPRISES LTD)

	2017 £	2016 £
Turnover	1,043,789	991,432
Cost of sales	(358,973)	(344,136)
Gross profit	684,816	647,296
Administration costs	(463,522)	(445,326)
Net income from trading activities	221,294	201,970
Gift aid payment to Bristol Music Trust	(221,294)	(201,970)
Retained in subsidiary	-	-
Total assets	294,054	298,891
Total liabilities	(294,053)	(298,890)
Net assets	1	1
Share capital and reserves	1	1

4. INVESTMENT INCOME

	2017	2016
	£	£
Bank interest	7,814	11,702

5. COSTS OF RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Costs of trading activities (BMT Enterprises Ltd)				
Cost of sales	358,973	-	358,973	344,136
Staff costs (note 8)	166,893	-	166,893	152,359
Other support costs	296,629	-	296,629	292,967
	822,495	-	822,495	789,462
Costs of raising voluntary income				
Direct costs of fundraising	13,645	-	13,645	9,556
Indirect costs of fundraising	35,509	-	35,509	54,406
	49,154	-	49,154	63,962
Total costs of raising funds	871,649	-	871,649	853,424

The costs of raising funds were £871,649 (2016: £853,424) of which £871,649 was unrestricted (2016: £853,424).

Costs of staff employed in a fundraising capacity are included in support costs of charitable activities (note 6).

6. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs of charitable activities				
Hall and space lettings	294,992	7,385	302,377	252,262
Own and co-promotions	1,830,492	25,330	1,855,822	1,999,156
Education activities	9,077	617,880	626,957	656,399
Other event income	98,264	5,187	103,451	113,575
	2,232,825	655,782	2,888,607	3,021,392
Support costs of charitable activities				
Staff costs (note 8)	2,503,158	47,372	2,550,530	2,429,960
Premises costs	379,881	-	379,881	348,336
Other supplies and services	440,262	37,186	477,448	449,501
Marketing costs	162,018	359	162,377	221,627
	3,485,319	84,917	3,570,236	3,449,424
Total costs of charitable activities	5,718,144	740,699	6,458,843	6,470,816

Costs of charitable activities were £6,458,843 (2016: £6,470,816) of which £5,718,144 was unrestricted (2016: £5,750,867) and £740,699 was restricted (2016: £719,949).

7. GOVERNANCE COSTS (included in other supplies and services)

	2017	2016
	£	£
Audit	11,070	10,800
Accountancy fee	1,350	1,350
Trustee expenses	-	-
	<u>12,420</u>	<u>12,150</u>

8. STAFF COSTS

	2017	2016
The average monthly number of persons employed by the charity during the year was as follows:		
	No.	No.
Employees	138	141
Casual workers	58	66
Monthly total	<u>196</u>	<u>207</u>

These staff numbers include members of staff contracted by Bristol Music Trust on behalf of BMT Enterprises Ltd, the costs of which are charged direct to BMT Enterprises Ltd as part of the cost sharing agreement between parent company and subsidiary.

Staff costs for the above persons:

	£	£
Wages and salaries	2,239,596	2,178,993
Social security costs	160,891	137,757
Pension costs	214,246	200,722
Agency staff	43,623	31,525
Training, recruitment and allowances	36,066	33,322
Termination payments	23,000	-
Total staff costs	<u>2,717,422</u>	<u>2,582,319</u>

Staff costs for the executive team (key management personnel) including employer pension contributions totalled £444,386 for the year (2016: £429,790). During the year a termination payment of £23,000 (2016: £nil) was made to an employee

Two employees (2016: two) received total pay excluding employer pension contributions in excess of £60,000 within the following bands:

	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
	<u>2</u>	<u>2</u>

Both of the above employees earning more than £60,000 per annum participated in the Defined Contribution Pension Scheme. During the year ended 31 March 2017, the pension contributions for these staff amounted to £7,770 (2016: £7,693).

The charity has taken out a trustees' indemnity insurance policy that provides professional indemnity cover for the trustees of the charity. The cost of this insurance policy to the charitable company for the year was £1,700 (2016: £1,631).

None of the members of the Board of Trustees received any remuneration. During the year no trustees received reimbursements of personal travel and subsistence expenditure (2016: £NIL).

9. NET INCOME/(EXPENDITURE)

	2017	2016
	£	£
This is stated after charging:		
Depreciation	46,110	89,454
Operating leases		
– Plant & machinery	15,750	20,250
– Office & equipment	8,163	3,822
Audit fee	11,070	10,800
Accountancy fee	1,350	1,350
Stock expense	208,363	214,528

10. TANGIBLE FIXED ASSETS

	Plant & Machinery	Office Equipment	IT Equipment	Fixtures & Fittings	Total 2017
	£	£		£	£
Group:					
Cost					
1 April 2016	51,098	1,773	78,672	149,589	281,132
Additions	18,311	-	7,170	24,415	49,896
Disposals	-	-	(29,787)	-	(29,787)
31 March 2017	69,409	1,773	56,055	174,004	301,241
Depreciation					
1 April 2016	(30,898)	(1,182)	(77,660)	(108,853)	(218,593)
Charge for the year	(10,755)	(355)	(3,190)	(31,810)	(46,110)
Disposals	-	-	29,787	-	29,787
31 March 2017	(41,653)	(1,537)	(51,063)	(140,663)	(234,916)
Net book value					
31 March 2017	27,756	236	4,992	33,341	66,325
31 March 2016	20,200	591	1,012	40,736	62,539
Company:					
Cost					
1 April 2016	45,167	1,773	78,672	65,367	190,979
Additions	18,312	-	-	22,974	41,286
Disposals	-	-	(29,787)	-	(29,787)
31 March 2017	63,479	1,773	48,885	88,341	202,478
Depreciation					
1 April 2016	(26,692)	(1,182)	(77,660)	(35,936)	(141,470)
Charge for the year	(9,112)	(355)	(800)	(21,057)	(31,324)
Disposals	-	-	29,787	-	29,787
31 March 2017	(35,804)	(1,537)	48,673	(56,993)	(143,007)
Net book value					
31 March 2017	27,675	236	212	31,348	59,471
31 March 2016	18,475	591	1,012	29,431	49,509

11. INVESTMENTS

	Group 2017	Group 2016	Company 2017	Company 2016
	£	£	£	£
Investment in share capital of BMT Enterprises Ltd	-	-	1	1

The above relates to an investment of 100% of ordinary share capital in the subsidiary company BMT Enterprises Ltd (company number 07575415)

12. STOCKS

	Group 2017	Group 2016	Company 2017	Company 2016
	£	£	£	£
Finished goods and goods for resale	19,050	23,860	-	-

The above relates to Colston Hall Bars stock held by the subsidiary company BMT Enterprises Ltd.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017	Group 2016	Company 2017	Company 2016
	£	£	£	£
Trade debtors	318,811	439,269	280,444	387,454
Other debtors	-	-	221,294	201,970
Prepayments	63,018	40,660	63,018	33,491
Accrued income	23,735	125,051	13,831	122,529
	405,564	604,980	578,587	745,444

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017	Group 2016	Company 2017	Company 2016
	£	£	£	£
Trade creditors	323,767	462,886	307,588	411,048
Other taxation and social security costs	111,886	143,304	110,715	141,945
Pension contributions payable	23,267	23,088	22,949	22,818
Other creditors	48,405	17,463	48,405	17,463
Accruals	347,699	437,413	314,086	407,519
Deferred income (note 15)	1,943,510	1,734,509	1,922,033	1,720,951
	2,798,534	2,818,663	2,725,776	2,721,744

Deferred income includes advance ticket income of £1,928,338 (2016: £1,734,509).

NatWest Bank holds a fixed and floating charge over all assets of the charity. This was registered in 2015.

15. DEFERRED INCOME

	Group £	Company £
Balance as at 1 April 2016	1,734,509	1,720,951
Amount released to income from charitable activities	(1,712,692)	(1,699,134)
Amount deferred in the year	1,921,693	1,900,216
Balance as at 31 March 2017	1,943,510	1,922,033

16. ANALYSIS OF CHARITABLE FUNDS

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfer between funds £	Funds at 31 March 2017 £
Restricted funds					
Bristol Plays Music - Music Education Hub	-	540,095	(540,095)	-	-
A New Ambition for Inclusive Excellence	39,945	166,000	(137,037)	-	68,908
Urban Development	-	5,322	(5,322)	-	-
Cultural Curriculum for Bristol	-	60,000	(5,187)	-	54,813
Artsmark Award	-	20,340	(20,340)	-	-
Creative Employment Programme	-	2,500	(2,500)	-	-
Talent Development Programme	-	10,000	-	-	10,000
Young Companies in Residence	-	1,121	(1,121)	-	-
Bristol New Music Festival	-	13,000	(13,000)	-	-
Purple Rain & Norman Jay MBE	-	3,830	(3,830)	-	-
Colston Hall Phase 2 – Capital Transformation Project	40,191	146,771	(12,267)	-	174,695
	80,136	968,979	(740,699)	-	308,416
Unrestricted funds:					
General fund	408,465	6,656,425	(6,589,793)	15,067	490,164
Designated funds					
- Bristol Plays Music fund	68,600	-	-	(18,853)	49,747
- Music Development fund	50,000	-	-	-	50,000
- Colston Hall Building fund	55,000	-	-	-	55,000
- Fixed Assets fund	62,539	-	-	3,786	66,325
	644,604	6,656,425	(6,589,793)	-	711,236
Total funds	724,740	7,625,404	(7,330,492)	-	1,019,652

Music Education Hub: Arts Council England funding towards the cost of delivery of music education hub activity through Bristol Plays Music. Funding is utilised in the financial year to which it relates.

A New Ambition for Inclusive Excellence: A grant from the Youth Music Foundation to support the Bristol Plays Music project to transform music education in Greater Bristol for children and young people with SEND, children in care and children from traveller communities. Funding has been allocated for three years from 2015/16. This fund has also been supported this year by a grant of £8,500 from the Ernest Cook Trust, £3,000 from The D'Oyly Carte Charitable Trust and £3,000 from Austin and Hope Pilkington Trust.

Urban Development - Ambition for Excellence Programme: A partnership with the organisation Urban Development to offer in school and holiday activities for under-18s focussing on recording and promoting urban music.

Cultural Curriculum For Bristol: A pilot programme to design and create a citywide cultural curriculum covering music, dance, drama, visual arts and design led by Bristol Plays Music and Bristol Old Vic, in association with Arnolfini, Theatre Bristol and Spike Island, and UWE. The initiative, which aims to combat the decline in cultural education in Bristol schools, will work with four primary schools to develop the curriculum, and has received £60,000 funding from the Paul Hamlyn Foundation's Explore and Test fund.

Artsmark Award: A project which explores how music education hubs can support Artsmark schools with a specific focus on the connection points between the School Music Education Plan (SMEP) and Statement of Commitment, funded by Arts Council England.

The Creative Employment Programme supported the employment of a marketing intern at Colston Hall. It was funded by the West of England Consortia, managed by the Creative Skills Hub at the West of England LEP. The funding is creating new paid opportunities for young-unemployed people aged 16 -24 years helping them access their first job in the creative and cultural sector.

Talent Development Programme: Funding of £10,000 (of an agreed £20,000 grant) has been received from the PRS for Music Foundation to support a programme to strengthen progression routes for emerging and developing music creators through performance opportunities, showcase events, industry advice, and a year-end festival in 2017. The programme will support music creators working in three genres: popular, electronic and urban (including our Bristol Plays Music Multitrack programme).

Young Companies in Residence: Funding from individual donations towards the development of Bristol Plays Music's flagship youth ensembles Bristol Youth Choir and Bristol Youth Orchestra as Young Companies in Residence at Colston Hall.

Bristol New Music Festival: The second Bristol New Music Festival in 2016 was curated by a partnership of Colston Hall, St George's Bristol and the University of Bristol, and supported by funding of £12,000 from the PRS for Music Foundation and a further £1,000 grant from The Hinrichsen Foundation.

The *Purple Rain and Norman Jay MBE* night at Colston Hall in November 2016 was supported by a grant of £3,830 from the Watershed Arts Trust Ltd.

Colston Hall Phase 2 – Capital Transformation Project: This restricted fund includes all funds raised for the building project including statutory funding, donations from individuals, and grants from trusts and foundations. Funding has been agreed with Arts Council England totalling £401,913 contingent on partnership funding of £1,607,652 from Bristol City Council to meet the costs of building project design development work up to RIBA stage 3 and submission of a planning application (May/June 2017), with a payment of £40,191 received thus far.

Bristol Plays Music Fund: A designated fund to support the charity's ongoing educational provision including funding for holiday activities and instrument renewal. The Board of Trustees has agreed that £18,853 be transferred to the General Fund as at 31 March 2017 to support these activities and offset a planned operational deficit in 2016/17.

Music Development Fund: A designated fund established to support the ongoing creative development of the Colston Hall music programme and audience development strategy and to provide mitigation for the associated financial risks of own promotions within a curated programme.

Colston Hall Building Fund: A designated fund to support the Trust's planning for the Colston Hall Phase 2 – Capital Transformation Project, budgeted to be utilised in the year prior to closure 2017/18.

Fixed Assets Fund: A designated fund to cover the organisation's fixed asset costs as at the financial year end. The Board of Trustees has agreed that £3,786 be transferred from the General Fund as at 31 March 2017.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General fund £	Designated funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2016	431,560	213,044	80,136	724,740
Group:				
Tangible fixed assets	-	66,325	-	66,325
Current assets	3,288,698	154,747	308,416	3,751,861
Current liabilities	(2,798,534)	-	-	(2,798,534)
Total assets less current liabilities	490,164	221,072	308,416	1,019,652
Company:				
Tangible fixed assets	-	59,471	-	59,471
Investments	1	-	-	1
Current assets	3,222,793	154,747	308,416	3,685,956
Current liabilities	(2,725,776)	-	-	(2,725,776)
Total assets less current liabilities	497,018	214,218	308,416	1,019,652

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Net movement in funds	294,912	38,073	294,912	38,073
Add depreciation charge	46,110	89,454	31,324	59,666
Deduct interest income	(7,814)	(11,702)	(7,814)	(11,702)
Decrease/(increase) in stock	4,810	(9,066)	-	-
Decrease/(increase) in debtors	199,416	136,700	166,857	26,781
Increase/(decrease) in creditors	(20,129)	196,868	4,032	195,535
ash generated by operating activities	517,305	440,327	489,311	308,353

19. PENSION COMMITMENTS

During the year the charity contributed to four pension schemes for its employees and casual workers as appropriate, the Bristol Music Trust Pension Scheme, the National Employment Savings Trust, the Local Government Pension Scheme and the Teachers' Pension Scheme. The total cost for the year amounted to £214,246 (2016: £200,722).

The charity participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its music tutor employees following the transfer of the Bristol Arts and Music Service staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the Charity. As required by FRS102 "Retirement Benefits", and in accordance with FRS102 the charity accounts for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government would be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions.

The Actuarial Valuation as at 31 March 2012 undertaken by the Government's Actuary's Department and published on 9 June 2014 specifies a total contribution rate of 26% payable from 1 September 2015 for the four year valuation period. This total contribution rate is made up of an employer contribution rate of 16.4% (plus a 0.08% administration levy) and an average employee contribution rate of 9.6% for scheme members. A six tier salary and employee contribution rate structure is applied with employee rates varying between 7.4% and 11.7%. Employer contributions will continue for this valuation period at the current rate 16.4%.

The pension charge for the year includes contributions payable to the TPS of £57,630 (2016: £54,379). The charity has a charge of £20,000 cash deposit, dated 21 August 2013 in favour of NatWest Bank Plc, sufficient to cover three months contributions to the TPS.

20. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2017 the charity was committed to make total future lease payments under operating leases for each of the following periods:

	Group 2017	Group 2016	Company 2017	Company 2016
	£	£	£	£
In respect of plant and machinery leases due:				
Within 1 year	7,938	-	7,938	7,938
In the second to fifth year	13,430	19,725	13,430	13,430
	<u>21,368</u>	<u>19,725</u>	<u>21,368</u>	<u>21,368</u>

21. RELATED PARTY TRANSACTIONS

Detail of the relationship with Bristol City Council is provided on page 12.

During the year the charity made purchases of:

£453 (2016: £1,319) from Nisbets PLC. Andrew Nisbet is a Director of this company.

£2,099 (2016: £2,555) from Destination Bristol for which. Louise Mitchell is a Trustee for this organisation.

During the year the charity made sales of:

£904 (2016: £1,055) to Way Art West. Paul Fordham is a Director of this organisation.

£2,500 (2016: £3,000) to Nisbets PLC. Andrew Nisbet is a Director of this company.

During the year donations to the Colston Hall Phase 2 – Capital Transformation Project received from related parties totalled £101,200.

Bristol Music Trust has a wholly owned subsidiary, BMT Enterprises Ltd (see note 3). Bristol Music Trust charged BMT Enterprises Ltd staff costs of £166,893 during the year (2016: £152,359). In 2017 BMT Enterprises Ltd transferred its profits of £221,294 (2016: £201,970) to the Trust as a gift aid payment. The full amount of £221,294 was outstanding as at 31 March 2017 (2016: £201,970).