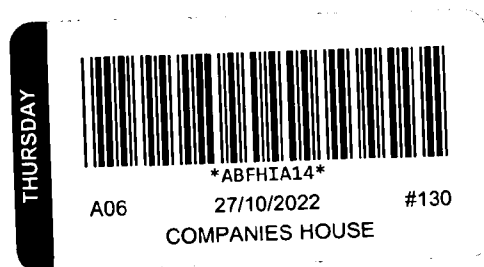


City of Birmingham Symphony Orchestra
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended
31 March 2022



Company Registration No.01262018
Charity No. 506276

City of Birmingham Symphony Orchestra

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City of Birmingham Symphony Orchestra

CHAIR'S REPORT

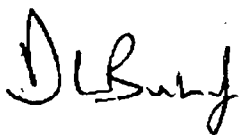
After a very difficult couple of years for all of us it is a great relief to be able to write this introduction in a more optimistic mood. The 12 months it covers saw the CBSO family gradually return to all of its key activities, with audiences also returning gradually to support these. As this is my last Annual Report as Chair – I am preparing to hand over this enjoyable responsibility at this year's AGM – I am especially pleased that the CBSO is able to face the future in the most confident possible shape.

Of course, that future contains a great many uncertainties, and the CBSO is not immune to these. The long tail of the Covid pandemic, the cost of living crisis, the implications of Brexit and the Russian invasion of Ukraine have all made their mark on the CBSO's activities and priorities during the last year. And as a Board we are also very conscious of the need to ensure that the CBSO remains relevant and accessible to all our region's citizens whatever their background or economic status. Together with a refreshed senior management team, we have put a lot of thought and effort into adapting our plans and strategic objectives to be fit for the new realities of the Orchestra's second century, and you should already be able to see this in the plans announced for the next 12 months.

Along the way there have been some tremendous highlights, even as we contended with the many challenges placed in front of us. Mirga's and Kazuki's concerts have once again demonstrated the close connection that exists between the Orchestra and Choruses, our conductors, and our enthusiastic Birmingham audiences. Particular highlights included the Prom last summer with Mirga, the season opening concerts with Kazuki conducting Saint-Saens' *Organ Symphony*, and the ingenious programme put together and presented by our talented Youth Ambassadors. But it has been equally exciting to see the new initiatives both in live performance and in our digital activities. Chief among our innovations are the preparations for the new Shireland CBSO Academy in Sandwell, where building work has now begun on what should be a superb new school, opening in September next year.

It has also been a time of renewal as far as the Board itself is concerned. We were sorry to say goodbye during the last year to Joe Godwin, Elspeth Dutch, Tony Davis and Susan Foster, all of whom have made outstanding contributions during their time as trustees. We are working with a leading search firm to identify new trustees who will add to the range of skills and diversity of the Board; they will also help us to recruit my successor as Chair.

None of the activities outlined in this report would have been possible without the CBSO's broad base of financial support. From the loyal audiences who have returned in such numbers to attend concerts, to our many hundreds of Members, to our ever-growing list of major donors, to our public funders Arts Council England and Birmingham City Council: we are hugely grateful to all of you for your generous support over the last year and into the future. It is this wide range of enlightened investment that ensures that the CBSO has not only survived Covid, but is ready to aim for still greater heights in the coming years.



David Burbidge CBE, DL
Chair of Trustees

City of Birmingham Symphony Orchestra

CHIEF EXECUTIVE'S REPORT

I am delighted to be able to present this 23rd Annual Report of my CBSO tenure, after a year that has seen the whole organisation rebound from Covid with huge resolve and enthusiasm. There is a lot of talk at the moment about whether our post-Covid world – especially in the arts – will see a ‘new normal’ replacing our pre-pandemic ways of doing things. Some have predicted a scene where almost everything has changed, while others talk – either approvingly or with regret – of a swift return to previous rituals and approaches. I think the truth – for us at least – lies somewhere in between.

We have been delighted to return to live concerts, and to feel the warmth of audiences that had so missed this emotional ‘hit’ in their lives. We have now resumed pretty much all of our pre-Covid activities, and very much hope that there will be no further enforced interruptions. But our reflections during the last two years have led to some adjustments to ensure our work remains as accessible as possible. These have included relatively minor changes such as a more contemporary concert dress code for Orchestra and Chorus, and concert programmes that are downloadable for free in advance, but also some more significant moves to rebalance the concert repertoire and better reflect the diversity of the West Midlands in our work.

It has been a particular joy to perform so many interesting and exciting pieces composed by women (such as Dani Howard’s *Argentum*, brilliantly played by the CBSO Youth Orchestra in October) and by composers of colour (such as the thrilling UK premiere in February of Robert Nathaniel Dett’s *The Ordering of Moses*). In fact new and unfamiliar music has been a strong feature of our programming this last year, as we experimented with shorter concerts in 2021 and continued to roll out our delayed Centenary Commissions. Many of these works have already entered the repertoire of other orchestras – Thomas Adès’s *The Exterminating Angel Symphony* is a particularly good example, having had a high-profile launch last summer in Birmingham and at the BBC Proms.

There have been many other new initiatives introduced or planned during the last year, especially in our Learning and Engagement work. We have used live streaming to reach wider audiences for our Relaxed Concerts and Schools Concerts, and have also started to build up a library of high-quality digital content for use as a curriculum resource at the new Shireland CBSO Academy and elsewhere across our education work. And working groups drawn from across the organisation are helping us plan ways to increase the diversity of our artists, participants and future audiences, as well as activities to improve our environmental sustainability.

At the heart of everything is music and our outstanding team of musicians. We have been taking steps to fill vacancies in the Orchestra, after a period when Covid restrictions and other uncertainties made it too difficult to be holding extended trials. It’s very heartening to see that despite the new post-Brexit immigration system, we are still receiving lots of really strong applications from all over the world as well as the UK. Mirga and Kazuki continue to offer exceptional artistic leadership, with the latter switching from Principal Guest to Chief Conductor on 1 April next year. The international tours undertaken since the easing of the pandemic have enabled us to connect once again with audiences around the world, and there are plenty more high-profile opportunities to do this over the next year or two.

None of this work could take place of course without our dedicated and energetic staff team. Over the last year there has been quite a lot of change, including at the senior level with long-serving Directors of Finance (Annmarie Wallis), Development (Simon Fairclough) and Learning & Engagement (Lucy Galliard) being replaced by equally talented successors – Emma Bunting, Claire Tilt and Tom Spurgin, respectively. I am hugely grateful to all of them and the rest of our staff and brilliant musicians for all their efforts in keeping the CBSO at the high artistic level we have all come to expect. And I am equally grateful to our choirs and youth ensembles, to our Board and volunteers, and of course to all our donors and audiences. Here’s to a great year ahead!



Stephen Maddock OBE
Chief Executive

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

Objectives and activities

Principal Activity

The principal activity of the charity is to provide a wide access to music for audiences and participants, within the West Midlands region and beyond, through its concert performances and its extensive education and choral activities.

Mission and Objects

Led by a world-class symphony orchestra, the CBSO family of instrumental and choral ensembles shares musical excellence in performance, education and participation with the widest possible audiences in Birmingham, the Midlands and internationally, enriching lives and inspiring people of all backgrounds.

The objects of the charity, as stated in its articles, are:

- To carry on, as a going concern, the undertaking of the orchestra known as the City of Birmingham Symphony Orchestra.
- To promote, maintain or improve musical education and to encourage the arts of music, mime, drama, singing and dancing.
- To undertake or assist in undertaking the organisation and management of bodies of musical performers, performances involving the playing of music, lectures in the studies of music, other educational activities connected with music and bodies of students or persons interested in music in any part of the world.
- To promote education in or the appreciation or practice of music, or the production of musical works, or the invention or improvement of musical instruments or of any means of reproducing music, by financial or other inducements or awards.

Key Activities

The strategy employed to achieve the charity's objectives is to undertake the key activities listed below.

- Promoting concerts in Birmingham as the resident orchestra at Symphony Hall, performing a wide range of music, including evening and matinee subscription concerts, a series of lighter symphonic repertoire on Friday nights, and schools, family and early years concerts.
- Concert performances at other venues in the United Kingdom, including appearances at major arts festivals.
- Concert performances around the world, acting as a cultural ambassador for the City of Birmingham, the Midlands and the UK.
- Regular broadcasting work on radio and television, digital concerts which are streamed live and on demand and the release of CDs for a variety of recording companies.
- An extensive education programme in schools and local communities, including a successful Youth Orchestra.
- Running three "unpaid professional" choruses, one each for adults, young people and children, and one un-auditioned community choir, all of which perform with both the CBSO and other musical groups.
- Management of the CBSO Centre, which is the orchestra's rehearsal and administrative home, but also functions as a medium-scale performance venue and stages a series of mainly lunchtime chamber concerts by CBSO players, as well as being let out to other arts organisations.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

Strategic Report

The Trustees of the charity are pleased to approve the following Strategic Report in their capacity as company directors.

Achievements and Performance

Overview

The CBSO had to navigate another tricky year, with regular uncertainty about the progress of the Covid pandemic pretty much throughout, as well as other uncertainties brought about by the latest phase of Brexit changes. But there were many positives as we were able to restart live performances, choral rehearsals, schools work, youth ensembles and international touring. By the end of the year the CBSO family was once again operating at something like pre-Covid levels of activity, with audiences still significantly lower than before the pandemic but increasing gradually. Key achievements during the year included:

- The appointment of Kazuki Yamada as our next Chief Conductor and Artistic Advisor (from April 2023), while Mirga Gražinytė-Tyla becomes Principal Guest Conductor in September 2022
- Successful applications to and use of the various government support packages (Job Retention Scheme, Cultural Recovery Fund, and enhanced Orchestra Tax Relief) to help the Orchestra survive the pandemic with its finances in a reasonable shape and without having made any redundancies
- A period of renewal in the Senior Management Team, with new Directors of Marketing & Communications, Finance & Resources, Development and Learning & Engagement appointed during the year to replace long-serving predecessors
- Further growth in the charities understanding of Equality, Diversity and Inclusion issues, with a renewed Inclusivity & Relevance strategy supporting several significant new initiatives including staff training
- Continued innovation and experimentation with digital formats, building on what we had learned during the previous year

Orchestra Activities

Birmingham Concerts

During the year, the Orchestra and its associated ensembles gave 90 (2021: 10) performances for live audiences in Birmingham, in our orchestral home of Symphony Hall, at CBSO Centre, and elsewhere in and around the city. Highlights included:

- A summer series of concerts for socially-distanced audiences from mid-May (the first week this was allowed under the Covid rules) to early July, featuring an exceptional line-up of artists (mostly UK-based for practical reasons) including Stephen Hough, Edward Gardner, Ian Bostridge, Karen Cargill and Nicholas Collon, as well as Mirga Gražinytė-Tyla and Kazuki Yamada. Each concert was played without interval, twice on the same day
- Two separately-announced seasons for 21-22: from September to Christmas and from January onwards. This included a much more familiar range of concert strands including Matinees, Friday Night Classics and Family Concerts
- Mirga Gražinytė-Tyla appeared with the orchestra in June (Weinberg and Mahler), November (Janáček's opera *The Cunning Little Vixen*) and March (Tchaikovsky and Stravinsky)
- Kazuki Yamada conducted concerts in June (Anderson and Dvorak), September (Saint-Saëns *Organ Symphony* plus music by Tchaikovsky and Poulenc to open the season) and January (Strauss *Don Juan*, Mozart arias with soprano Fatma Said and Mahler's Symphony No.4)
- Several more CBSO Centenary Commissions received their premiere: Julian Anderson's cello concerto *Litanies*, Thomas Adès' *The Exterminating Angel Symphony*, Mark-Anthony Turnage's *Go For It!*, Debbie Wiseman's *Carnival of the Endangered Animals* and Jonathan Dove's *In Exile*

City of Birmingham Symphony Orchestra

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for the year ended 31 March 2022

- There were three other UK premieres by Canadian composers Cassandra Miller (*La Donna*), Samy Mousa (*Nocturne*) and Robert Nathaniel Dett (*The Ordering of Moses*), as well as another 24 works by living composers including Gabriel Prokofiev, Arvo Pärt and Mason Bates
- The Orchestra continued to increase the amount of music composed by women in its repertoire with 20 works played in total during the year. Composers included Augusta Holmès, Anna Clyne, Caroline Shaw, Missy Mazzoli, Florence Price, Judith Weir, Dani Howard and Fanny Mendelssohn
- There were also 10 works played by composers of colour, including Samuel Coleridge-Taylor, Florence Price, Samy Moussa and Errollyn Wallen
- The CBSO's second cohort of Youth Ambassadors (aged 16-21) programmed and presented a concert at Symphony Hall in March. Their innovative approach produced a mainly contemporary programme including music by Gabriel Prokofiev, Missy Mazzoli and Philip Glass
- The Orchestra gave two fully-staged performances of Wagner's *Rhinegold* in partnership with Birmingham Opera Company at Symphony Hall, conducted by their Music Director (and former CBSO Assistant Conductor) Alpesh Chauhan
- In a new initiative two immersive performances, *Symphonic Sessions*, at Hockley Social Club combined small-scale cutting-edge music with outstanding street food, reaching a completely new audience
- The Orchestra resumed its concerts for children, giving six Schools Concerts and two Family Concerts at Symphony Hall
- In October the Orchestra gave two free concerts at New Street Station on Friday at rush hour, as part of its commitment to reaching audiences well beyond the concert hall

Other UK Concerts

After a year in which the Orchestra had not been able to venture beyond Birmingham, we were delighted to be able to make some very welcome returns to UK venues for the first time since the start of the pandemic.

Highlights included:

- A concert at the BBC Proms with Mirga Gražinytė-Tyla, featuring three symphonies, two of which were written for the CBSO: the first by Thomas Adès, based on his opera *The Exterminating Angel*, (a CBSO Centenary Commission receiving its London premiere) and the second by Ruth Gipps, a CBSO oboist in the 1940s. The evening concluded with the third symphony by Brahms, and the whole concert was carried live on BBC Radio 3 and BBC4 TV.
- A French / Canadian programme with conductor Kevin John Edusei and pianist Kirill Gerstein in Cardiff's St David's Hall
- The traditional New Year's Viennese programme at Malvern Theatres, as well as another visit for Beethoven's *Pastoral Symphony*
- A concert of Mozart and Schubert with Kazuki Yamada and CBSO Leader Eugene Tzikindeclean as soloist in The Venue, Leeds
- A concert of Tchaikovsky and Stravinsky in Nottingham's Royal Concert Hall, with Mirga Gražinytė-Tyla and violinist Patricia Kopatchinskaja

Overseas Touring

After two years of Covid-enforced cancellations – during which eight tours were cancelled or postponed – the Orchestra was finally able to resume its touring activities in November 2021. This was with a highly ambitious project: three semi-staged performances of Leoš Janáček's 1920s opera *The Cunning Little Vixen* in Dortmund, Hamburg and Paris. The production was conducted by Mirga Gražinytė-Tyla, and featured a superb international cast led by Elena Tsallagova, Angela Brouwer and Roland Wood, and including eight children from Trinity School (London) in a variety of roles as small woodland creatures. Logistics for this tour were significantly complicated by the different Covid regimes in the countries we visited, plus the fact

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

that it was our first international tour in the post-Brexit era. It was an artistic and financial success, with no major problems, thanks to the thorough planning of our staff team and tour agents.

In March – April 2022 we carried out a more traditional extended tour, encompassing fourteen concerts in ten cities (Frankfurt, Hannover, Hamburg, Paris, Luxembourg, Antwerp, Dortmund, Graz, Linz, Vienna) in five countries (Germany, France, Luxembourg, Belgium, Austria). Mirga again conducted, with soloists Patricia Kopatchinskaja and Sheku Kanneh-Mason. There were still major Covid restrictions, and thanks to the Brexit trade agreement our new instrument truck was only able to join us for four of the cities – the cost of a rental vehicle for the other venues adding significantly to our costs. It was again a most successful tour, and thanks to our rigorous health and safety regime it was only at the very end of the tour that we had a very small number of Covid cases in the orchestra.

Digital Activities including Broadcasting and Recording

At the start of the year the Orchestra was limited by the Covid regulations to playing for the cameras only. As live performances became possible from mid-May, we were able to resume our normal radio broadcasting activities as well as continuing some of our smaller-scale digital activities trialled during the pandemic. Activities included:

- Four digital concerts recorded at Symphony Hall, with conductors Ryan Bancroft, Ben Gernon, Jonathan Bloxham and Kazuki Yamada. These were among eight films released on Marquee TV (available to an international audience), and featured an eclectic range of music by Glazunov, Caroline Shaw, Saint-Saens, Samuel Coleridge-Taylor, Nielsen, Anna Clyne and Takemitsu among others
- Six concerts were recorded for broadcast on BBC Radio 3, which included CBSO Centenary Commissions by Julian Anderson and Jonathan Dove, and the UK premiere of the major choral work *The Ordering of Moses* by Robert Nathaniel Dett
- Our BBC Prom concert of Gipps, Adès and Brahms was broadcast live on BBC4 TV
- For Deutsche Grammophon we recorded Weinberg's Symphony No.3 and *Rhapsody on Moldavian Themes*; DG also released *The British Project* on CD (recordings of music by Elgar, Walton, Vaughan Williams and Britten with Mirga Gražinytė-Tyla)
- Two concerts on the March tour of Europe were broadcast by national radio stations in Belgium and Austria
- The Orchestra recorded the soundtrack for *Coventry Moves*, the opening event of Coventry's City of Culture programme. This was composed for the occasion by Benjamin Kwasi Burrell
- The Orchestra, conducted by Alpesh Chauhan, gave a special filmed performance of music by Anna Clyne, Sarasate (with Canadian violinist James Ehnes) and Elgar as part of the ceremony to launch the Queen's Baton Relay for the Birmingham 2022 Commonwealth Games. This was projected onto the front of Buckingham Palace in the presence of HM The Queen, our patron HRH The Earl of Wessex, and political leaders
- One of our *Natural World Schools Concerts* was filmed and distributed to Birmingham primary schools, and we also live streamed a schools' performance of *Carnival of the Animals* as well as a Relaxed Concert

Our Choruses

The CBSO Chorus sprang back into action in 21/22, opening the season with Poulenc's *Gloria* and Tchaikovsky's *1812*. Also included in the season-opening were our CBSO Youth Chorus (YC), performing Faure's *Messe Basse*, a performance which included many YC alumni whom Covid had prevented from performing their final YC performance in 2020. For the CBSO Chorus, Fauré's *Requiem* followed in November 2021, and just over a week later they were performing Janacek's *The Cunning Little Vixen* – the first of their Czech pieces scheduled for the season.

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for the year ended 31 March 2022

Throughout autumn and winter, the Junior Children's Chorus, Children's Chorus, and Youth Chorus prepared for their first Christmas concerts since 2019. The repertoire included *Christmas on the Beach at Waikiki* for the JCC and CC; *The Twelve Days After Christmas* by the YC; plus a brand new piece for CSBO Chorus, *Christmas Bells*, written and composed by a Chorus member. The CBSO Chorus also entertained at Birmingham Snow Hill offices with a round of festive carolling.

The new year began with Debussy's *Sirènes* sung by the Youth Chorus, and followed by a UK premiere of Nathaniel Dett's *The Ordering of Moses*, sung by the CBSO Chorus, which was recorded by BBC Radio 3. The CBSO Chorus then performed at the Barbican in London, giving a 5-star performance of Janacek's *Glagolitic Mass* with the Czech Philharmonic led by Semyon Bychkov.

All choruses have been conducting auditions and re-auditions throughout the season, and we have been grateful that so many of our members have continued through our online rehearsals during the pandemic. Our membership alone has made the last nine months of singing possible, and we are keen for many more singers, of any age, to come and join us for the 22/23 season.

Learning & Engagement Activities

For the Learning & Engagement team, much of the start of the 21/22 financial year took place online, with all choirs rehearsing online in the summer term. We also delivered 81 workshops across 12 schools as part of the residency programme (engaging 429 pupils); 44 workshops across 28 schools (3,291 pupils) as part of our schools' packages; and 3 live streamed concerts reaching around 3,000 children.

The move into autumn saw the return of more live events. We were very proud to deliver a programme of work with Audiovisibility, supporting pupils from Braidwood School in Birmingham to create and perform new music, and enabling hundreds of D/deaf children and young people to participate in a live-streamed concert from the CBSO Centre. Dame Evelyn Glennie joined a small ensemble of CBSO musicians for the concert, which was live-streamed and free to access.

The spring term saw the department return to levels of pre pandemic activity both in and out of school. Between January – April we delivered: 82 workshops across 16 schools as part of our residency programmes engaging with 934 individual pupils; 13 live or streamed schools' concerts reaching almost 12,000 children and young people; 6 concerts for early years and family audiences; 13 community choir rehearsals; 26 rehearsals and performances by young instrumentalists as part of CBSO Youth Orchestra and Project Remix.

Our volunteers

The charity relies on a significant number of volunteers who, as well as performing in our world class Choruses, also support the administrative staff with marketing, research and other duties.

All of our trustees act in a voluntary capacity. As well as fulfilling their Board duties they help with the fundraising activities of the charity and offer support to the senior management team, staff and players.

Financial Review

The results for the year to 31 March 2022 and the preceding financial year are set out in the Statement of Financial Activities on page 25.

The net financial result for the year was a surplus of £1.4m of which £672,000 related to actuarial movement on the Defined Benefit pension scheme (2021: £0.6m surplus). The Covid-19 pandemic remained a challenge throughout the year as reduced audiences returned to live performances, the charity benefited from the

City of Birmingham Symphony Orchestra

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for the year ended 31 March 2022

continued loyal support of its many donors and from Arts Council England Culture Recovery Funds as well as making use of the government's Job Retention Scheme.

Total income for the year was £9.3m (2021: £6.9m). The principal funding sources of the charity in the year were:

- revenue grant income from Arts Council England of £2,221,113 and £607,836 from Birmingham City Council, both of which showed level funding compared with the previous year
- a Culture Recovery Fund grant of £480,000 and a provision from prior year of £172,500
- £476,665 of income from the Job Retention Scheme which helped to cover the salaries of all musicians and more than half of the staff whilst activity was at a standstill and/or significantly reduced
- Earned income of £2.6m (2021: £0.2m) generated from ticket income for Symphony Hall concerts and fees from orchestral touring in the UK and overseas
- £2.5m of sponsorship and donations received from trusts, individuals, and corporate supporters. (2021: £1.2m)
- a £350,000 one off contribution to the Defined Benefit Scheme was made during the year to facilitate the recovery plan

A full analysis of expenditure on charitable activities is given in note 7. Total expenditure for the year was £9.6m (2021: £6.3m).

The charity continues to rely on the long-term benefit of Orchestra Tax Relief, which alongside the valuable support of our donors and sponsors helps to sustain the standard and breadth of the CBSO's work.

There was a large decrease in the Defined Benefit Pension Scheme liability to £7.5m (2021: £8.6m). The main positive impacts on the balance sheet position since last year are due to the change in market conditions over the year – bond yields have increased over the period, resulting in a higher discount rate and a lower liability value, together with contributions paid to the Scheme by the Company, net of expenses paid out. Furthermore, the investment return achieved on the Scheme's assets over the period was higher than the discount rate used last year. This was partly offset by inflation experienced, and future expected inflation increases, which has increased the value placed on the liabilities.

With a deficit recovery plan that runs to at least April 2034 the ongoing funding of this Scheme will continue to be significant financial cost for the charity for many years to come.

Plans for future periods

As part of its ongoing sustainability planning, and to support and inform its fundraising activities and public funding grant applications, the CBSO Board maintains a robust strategic business planning cycle. Over the last year we have again been able to focus on some medium-longer term goals as the Covid-19 uncertainties have gradually reduced. We submitted outline plans for 2023-26 to Arts Council England as part of our application for National Portfolio funding for that period. This application – and our consequent plans – are strongly informed by ACE's strategy *Let's Create*, with a renewed focus on community activities, co-creation and interaction with audiences, and the government's priorities around levelling up for culture.

In the year ahead we aim to deliver against these priorities by:

- Showcasing CBSO in our communities with targeted concert, audience development and Learning & Engagement activities to make us more reflective of the diversity and demographics of the West Midlands as a whole.
- Working with Shireland Collegiate Academy Trust to open Shireland CBSO Academy in Sandwell in September 2023, a project unique in the world

City of Birmingham Symphony Orchestra

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for the year ended 31 March 2022

- Improving our financial position by continuing the successful rollout of our *Sound of the Future* fundraising campaign, re-establishing and then growing other annual income streams to help build both our General Reserve and Endowment Fund levels.
- Recruiting and retaining the best possible musicians and Chorus members.
- Advocacy work with our public funders and other government agencies to secure the best deal for the finances of arts organisations in the future
- Focusing on the environmental impact of our activities, both at home and abroad, and seeking to minimise our carbon footprint

Alongside this we will continue to deliver and plan an ambitious and exciting artistic programme, the highlights of which will include:

- Performing a wide-ranging programme of concerts led by Mirga Gražinytė-Tyla, Kazuki Yamada and guest conductors, designed to appeal to the broadest possible audiences in the West Midlands and further afield
- The remainder of our series of 20 landmark commissions (plus 20 short works from young composers) comprising pieces for the whole CBSO family and across the range of our concert strands; the final 7 major works are scheduled for the 2022-23 season and include music by Roxanna Panufnik, Brett Dean, Thomas Larcher, Freya Waley-Cohen and Dani Howard
- Tours to the most prestigious venues and festivals worldwide, including: eight concerts in the USA with Mirga Gražinytė-Tyla and soloist Sheku Kanneh-Mason, our first major tour there in nearly 25 years; a ten-concert European tour in March 2023; a performance of Mahler's Symphony No.10 with Mirga Gražinytė-Tyla at the Leipzig Mahler Festival; a tour to Japan (postponed from 2021) in June 2023 with Kazuki Yamada; further tours to Europe and Asia with Kazuki Yamada
- A short festival in November 2022 celebrating the 150th birthday of composer Ralph Vaughan Williams
- A collaboration with Birmingham Opera for a new production of Britten's *Peter Grimes* in summer 2024, conducted by Alpesh Chauhan
- Major involvement in Birmingham's Commonwealth Games celebrations in summer 2022
- Visits to all the major UK festivals including BBC Proms, Aldeburgh, and Edinburgh
- Further recordings for Deutsche Grammophon, Chandos and other labels
- Chorus engagements with choirs, orchestras and festivals in London, Monte Carlo, Hamburg and Sydney
- Collaborations with Birmingham partners including University of Birmingham, Royal Birmingham Conservatoire, Birmingham Contemporary Music Group, Hockley Social Club, B:Music, Ex Cathedra and Culture Central

Fundraising Practices

The CBSO has a professional and established Development function, which strives to raise income to support all aspects of the CBSO's work. The team raises funds from the following income sources:

- Corporates
- Trusts and Foundations
- Individuals

During last year fundraising income increased to £2.5m recovering and strengthening from pre-pandemic levels. This has enabled us to raise over £7m of the £12.5m target for the fundraising campaign 'The Sound of the Future'

None of this would have been possible without our donors, both individuals, trusts and foundations and corporates who have so generously supported us – thank you.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

In order to ensure that donors are at heart of our fundraising we voluntarily subscribe to the Fundraising Regulator and continue to ensure adherence to the Regulator's Code of Fundraising Practice. Our full gift acceptance policy is reviewed annually by the Audit & Risk Committee. This policy, which is based on Charity Commission guidelines, sets out the charity's procedure for accepting gifts from donors and the reporting and use of such donations. We are pleased to report that in the financial year 2021/22 there were no complaints to the charity about its fundraising work.

Much of the orchestra's revenue comes from ticket buyers and donors whose relationships with the charity have developed over several decades. The charity takes particular care to maintain these relationships by avoiding being unreasonably persistent or placing undue pressure on potential donors to give money. It:

- Places the value of 'respect' at the heart of its Fundraising Plan which is debated and approved annually by the board of trustees and informs the day-to-day work of the charity's fundraisers. The plan states: *'in our fundraising work we will treat current and potential donors with respect, being polite and honest, avoiding being overly aggressive, and being especially careful not to take advantage of donors in vulnerable circumstances'*.
- Ensures procedures and systems are in place to avoid making persistent direct marketing or face-to-face requests of the same individual for support.
- Excludes individuals who have asked not to receive fundraising information – whether directly or via the Fundraising Preference Service – from relevant communications.
- Ensures a high proportion of the money required is in place before each financial year begins – either through donations received or through expected renewals from regular supporters – thus ensuring that communications with potential donors can take place without pressure to secure an immediate gift.

Risk management

The trustees are aware of the need to assess the risks faced by the charity and respond in such a way as to manage those risks appropriately. A risk register is maintained in which risks are scored for likelihood and impact and appropriate risk management strategies are established. Individual senior managers and the Audit & Risk Committee are responsible for monitoring the register which is formally reviewed by the charity's Board on a regular basis.

The trustees consider that the major risks facing the charity are:

- The ongoing and long-term impact on its activities and income streams from the Covid-19 pandemic
- Continued pressure on public funding.
- The threat of reduced box office income generally.
- Under funding of the CBSO Defined Benefit Pension Scheme which was closed to future accrual in September 2010.
- The loss of support from sponsors, trusts, foundations and individual donors.
- The operational complexities and higher costs resulting from Brexit.
- An increased regulatory environment.

A focus on the relevant key performance indicators (KPIs) and good relationships with our key funders, Defined Benefit Pension Scheme trustees and suppliers ensures that these major risks are constantly monitored, and appropriate corrective action taken. KPI's are monitored on a regular basis and include monitoring of monthly management accounts against approved budgets, cashflow forecasts, reserves position, ticket sales and ticket capacity.

In addition, we have a strong system of internal control and comprehensive management reporting processes which include:

- A robust strategic planning and annual budgeting system, which is approved and reviewed by the trustees.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

- Regular reviews by the trustees of quarterly and annual financial reports which monitor financial performance against approved budget and forecasts.
- Consideration of all financial issues by the Audit & Risk Committee and subsequent feedback to the trustees.
- A formal internal audit programme which covers the key risk areas on a rotational basis.
- Formal limits on staff members' ability to authorise expenditure.
- Segregation of duties amongst members of staff in so far as it is possible.

Reserves

In accordance with best practice and Charity Commission guidance the charity maintains free reserves in order to provide for contingencies that may arise in the future. For the purposes of this policy the trustees define free reserves to be the general unrestricted reserve.

The charity's overall reserves policy is unchanged and sets a target range for free reserves of between three to six months' core costs. This target has been set at a level which in the trustees' opinion would allow them to withstand any fluctuations in trading conditions or, in extreme circumstances, manage an orderly wind down of the orchestra's activities. On this basis the target range for free reserves is between £1.5m and £3m.

Despite the impact of Covid-19 the level of free reserves increased during the year to £2.7m (2021: £2.3m). This was achieved by a return to significant earned income, successful fundraising and the continued support of Arts Council England's Culture Recovery Fund and the Government's Job Retention Scheme.

The designated reserve was created in previous financial years to fund the increased artistic cost of the orchestra's centenary celebrations. Given the impact of Covid-19 on the planned centenary activities the Board has agreed that use of this reserve can be extended to cover activities in the 2022-23 season. Amounts used in the year were £38,000 (2021: £3,000). Any unused element of the reserve will be returned to the general reserves at the end of that period.

The recognition of the Defined Benefit Scheme pension liability under FRS102 continues to have a significant effect on the reported unrestricted reserves of the charity. This liability is updated annually to reflect market conditions and other actuarial assumptions and this year showed a large decrease to £7.5m (2021: £8.6m). Although this is a significant figure it does not mean that an immediate liability for this amount becomes payable, nor that there will be any short term cashflow impact for the charity. The level of annual contributions required to support the Scheme is determined by a triennial actuarial valuation. The charity and Pension Scheme completed the April 2021 valuation during the year thus ensuring that the previously agreed recovery period end date of December 2034 can be maintained without any significant increase in the level of annual deficit contributions required from the CBSO.

Investment Policy

The charity's stated objective is that the real value of the assets and the income derived from them be maintained and enhanced over the long term by investment in cash and other suitable investments in line with its future business plans and the annual budget that is approved by the trustee Board.

During the year, the charity held significant levels of cash due to the change in its income streams – with Arts Council Culture Recovery Fund and Job Retention Scheme monies received more immediately than the support that normally comes from Orchestra Tax Relief. However, whilst interest levels remain low the charity's investments have been held in short term cash deposits with two major UK banks. The allocation of surplus cash and the overall charity investment policy is reviewed by the Audit & Risk Committee on an annual basis.

In the context of guidance issued by the Charity Commission and following the appropriate assessments the CBSO trustees have instructed that the charity's investments should be managed on a medium-low risk basis.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

Public Funding and Going Concern

The charity is supported by grant aiding bodies. Revenue grant income from this source amounted to £2.9m representing 32% (2021: 41%) of the charity's total income.

Annual revenue grants from Arts Council England are secured up to 31 March 2023, at current levels of funding. Arts Council England has provided further support for the sector through its Culture Recovery Fund. The charity was successful in this award, the financial year reflects awards carried forward from round 1 of £172,500 and a further £480,000 in round 2.

During the year the charity enjoyed continued support from the government's Job Retention Scheme to help fund the salaries of both musicians and staff whilst activity remained restricted during the first half of the year. Orchestra Tax Relief continues to be of significant benefit to the CBSO.

To demonstrate its continued support for the Arts, in a period that includes Coventry's role as City of Culture in 2021 and the Commonwealth Games in Birmingham in 2022, Birmingham City Council has agreed its overall arts budget for the four years up to March 2023. CBSO's share of this arts budget continues at a level of £0.6m for 2022-23. As we continue to enjoy a close relationship with the councillors and executive team who are hugely supportive of the work that we do and our role in enhancing the profile of the city, we expect this level of grant award to be maintained in their remaining two budget years.

Apart from its public funding, the CBSO has a broad range of other income sources and it is not critically dependant on any other single organisation for funding. A number of sponsorship and other funding agreements are in place which run for more than two years after the balance sheet date. In addition to performances at Symphony Hall, a significant number of engagements, particularly in relation to overseas touring in 2022-23 and beyond are confirmed.

Despite the challenging climate currently, as the charity has an improved level of general reserves, a healthy cash balance, the benefit of Orchestra Tax Relief as well as other returning sources of income and the continued support of its major funders and the CBSO Development Trust, the trustees consider the going concern basis to still be appropriate for the preparation of these financial statements.

Equality, Diversity & Inclusion (EDI)

Over the last year, the CBSO have been working to embed EDI further into our programme, our culture, and our forward plans. The CBSO's EDI Plan is being reviewed by the Senior Management Team and will be refreshed ready for the start of the 22/23 year and will align with our commitments as part of our 23-26 Arts Council England National Portfolio application.

In 2021, the CBSO submitted a successful funding bid to the Esmée Fairbairn Foundation for £180,000 over three years. This money will help fund the CBSO's Career Accelerator Programme for early career string players from under-represented backgrounds in our sector. The programme starts in 22/23 and will provide paid performance opportunities, 1:1 mentoring from CBSO players, audition support, training with our Learning & Engagement team, and the opportunity to get involved in a range of L&E projects and activities. This programme aims to take positive action in address the lack of diversity in our sector.

In preparation for submitting the most recent NPO application, the CBSO has committed to the following three year aim within our Inclusivity & Relevance plan:

- By collaborating with West Midlands communities, CBSO becomes more representative of and relevant to under-represented groups. Our workforce, board, participants and audiences better represent local demographics, and Shireland CBSO school helps plug the 'diversity leak' in classical music pipeline.

To reach this goal, the CBSO committed to the following 12-month goals:

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

- Newly appointed Chair of the Board models and leads the change in EDI practices across the CBSO.
- Pilot collaborative activity in target LSOAs to create programmes relevant to our communities.
- Develop new data strategy to more accurately track audience and participant data across all activity.

Alongside these large-scale strategic developments, the following project activity took place that championed EDI and inclusive cultures:

- Our programme of work with our Youth Ambassadors culminated in a Symphony Hall performance in February.
- Youth Orchestra performed Florence Price's Piano Concerto in D with Dr Samantha Ege in February 2022.
- Approximately 4,800 pupils watched our Relaxed Concerts for children and young people with Special Educational Needs and Disabilities in February 2022. This included almost 300 watching live and an additional 4,500 watching digitally at a later date.
- Continued conversations with Black Lives in Music about ongoing partnerships and 'critical friend' opportunities in connection to the Career Accelerator programme.
- Project Remix took place in February 2022, working with South Asian musicians and artists from around Birmingham, and focusing on a western and Indian classical crossover for young musicians. 40% of the children and young people attending this programme were from Black, Asian, or ethnically diverse backgrounds.
- Our newly formed Equality, Diversity and Inclusion Group met twice to help build broader engagement across the staff team and musicians. N.B. This group will continue in 22/23 following a review by new EDI Strategic Lead, Tom Spurgin, Director of Learning & Engagement.

Public Benefit

In considering the strategies and policies of the charity the trustees have had due regard to the public benefit guidance published by the Charity Commission, in accordance with the Charities Act 2011.

Our latest Business Plan continues to champion education, learning and audience/community engagement as key priorities and sets out appropriate strategies and activities to enable us to deliver against our objectives in this area.

One of the key priorities is increased diversity and participation in musical activities across Birmingham and the West Midlands, ensuring that everyone in the region has the opportunity to experience our work, regardless of age, background or financial means. Our activities in this regard are also informed by the priorities of our key public funders, Birmingham City Council and Arts Council England.

We have been delighted that as the pandemic eased, we were able to return to live performances with audiences in our 21/22 Season.

A selection of our activity and output included

- An 8-week summer Season of socially distanced concerts which started mid-May and ran until July. As these concerts had a limited capacity of just 600 per performance, we performed each concert twice in one day to ensure maximum possible attendance. Overall, these 16 concerts were attended by 5,751 people all of whom were delighted to be able to attend live performances once more.
- Launching our 21/22 Season in two parts, putting on sale a total of 75 concerts at CBSO centre and Symphony Hall from September 2021 – March 2022 attended by 35,701 people.
- Releasing a series of digital 'Cuppa Concerts at Home' concerts for those living in care who were unable to attend performances in person due to the pandemic.
- Creating a new concert format outside of the traditional concert hall setting. Formulated in partnership with Hockley Social and entitled 'Symphonic Sessions' these musical evenings have

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

been curated by our musicians and offer an eclectic mixture of music in an informal setting. Prior to the performance audience members can enjoy a variety of food from a selection of Birmingham's finest street food vendors and then the performance itself.

- Continuing to give free tickets to NHS workers as part of our commitment to provide a total of 5,000 free tickets.
- Creating a £5 ticket offer for students and continuing to promote our £10 tickets for those aged 18-30 which proved to be highly popular with 3,177 student tickets sold and 1,211 18-30 tickets
- Forming a partnership with Tickets for Good to reach those who might otherwise not be able to attend CBSO performances.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

Reference and Administration details

Charity Registration number: 506276
Company Registration number: 1262018
Registered Office: CBSO Centre, Berkley Street, Birmingham, B1 2LF

Our advisers

Auditors	RSM UK Audit LLP	103 Colmore Row, Birmingham B3 3AG
Bankers	HSBC Bank plc	130, New Street, Birmingham. B2 4JU
Solicitors	Shakespeare Martineau	No. 1 Colmore Square, Birmingham. B4 6AA
Insurance Brokers	Marsh Limited	6 th floor, 4 Brindleyplace, Birmingham. B1 2JQ

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end are as follows:

Trustees:	David Burbidge CBE, DL #	(Chair)
	David Roper #	(Deputy Chair)
	Cllr Sir Albert Bore	
	Cllr Alex Yip	
	Timothy Birchall *	(appointed 3 August 2021)
	Tony Davis *	(resigned 14 March 2022)
	Helen Edgar	
	Susan Foster	(resigned 3 November 2021)
	Joe Godwin #	(resigned 3 November 2021)
	Elsbeth Dutch ~	(resigned 3 August 2021)
	Jane Fielding #	
	Emily Ingram	
	Sundash Jassi *	
	Chris Loughran DL	
	Lucy Williams *	
Senior Management Team	Stephen Maddock OBE	Chief Executive
	Annmarie Wallis	Director of Finance and Resources (resigned 30 September 2021)
		Company Secretary (resigned 25 January 2022)
	Emma Bunting	Director of Finance and Resources (appointed 17 August 2021)
		Company Secretary (appointed 25 January 2022)
	Gareth Beedie	Director of Marketing & Digital
	Simon Fairclough	Director of Development (resigned 8 September 2021)
	Lucy Galliard	Director of Learning & Engagement (resigned 13 October 2021)
	Jenny Nicholls	Director of Concerts
Senior Music Officers	Mirga Gražinytė-Tyla	Music Director
	Simon Halsey CBE	Chorus Director

Member of: * Audit & Risk Committee, # Nominations & Remuneration Committee, ~ Orchestra Member

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

Structure, Management and Governance

Governing Document

City of Birmingham Symphony Orchestra (CBSO) is a company limited by guarantee governed by its Articles of Association dated 23 July 2015. It is registered as a charity with the Charity Commission. Anyone over the age of 18 can become a member, and there are currently 579 members, each of whom agrees to contribute a sum not exceeding £1 in the event of the charity being wound up.

Organisation

The Board of Trustees administers the charity. The board meets around six times a year to review strategy and corporate governance and to approve and monitor performance against annual budgets and plans. A review in 2021 of its governance practices concluded that the CBSO's governance arrangements are well designed and represent good practice. There are no significant weaknesses or diversions from The Code.

There are two formally constituted Board committees each of which includes a minimum of three suitably qualified trustees. The Nominations & Remuneration Committee advises the Board on the operation and effective discharge of its corporate governance responsibilities and oversees the performance and appointment of all elected trustees. The Audit & Risk Committee assists the Board by making recommendations in the areas of risk assessment/management, audit & internal control, budgets and longer-term plans and by reviewing performance against the objectives set out in the approved budget and operational plans.

Additionally, an Artistic Forum, which has a wide membership including trustees and representatives of all areas of the charity's artistic activities, meets two to three times a year to consider artistic plans and ensure that the charity's mission is being maintained at the highest possible level.

A Chief Executive is appointed by the trustees and together with the other members of the senior management team manages the day-to-day operations of the charity.

Appointment of trustees

Most trustees are appointed by the board, with reference to a skills audit, and on the recommendation of the Nominations & Remuneration Committee. All trustees nominated through this process are subject to ratification by members at the Annual General Meeting. In the recruitment of new trustees, the charity seeks to promote an appropriate balance of age, gender and ethnicity so that the overall profile of the Board becomes more representative of the communities that it serves.

There are four additional trustees, two of whom are nominated by Birmingham City Council and two by the players. Trustees nominated in this way are not subject to members' ratification.

Trustee induction and training

New trustees undergo a thorough induction to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the committee structure and decision making processes, and the mission, budget and financial performance of the charity. During the induction process they meet key employees and other trustees.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

Throughout their term trustees are provided with regular updates on their duties as a trustee and general charity governance. They are also encouraged to:

- broaden their understanding of the charity's activities by spending time with key staff, attending concerts/other events and participating in project and other working groups.
- attend appropriate external training which will assist them in carrying out their duties.

Trustee Liability Insurance

The charity holds Trustee Liability insurance on behalf of its Directors and Officers at a cost of £9,520 (2021: £9,395).

Pay policy for senior staff

The board of trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the CBSO on a day-to-day basis. All trustees give up their time freely and no trustee received remuneration or any expenses in the year. Details of any trustee related party transactions are disclosed in note 20 to the accounts.

The pay of the senior management team is reviewed annually and normally increased in accordance with the annual pay award made to all of the charity's other administrative staff in April of each year. Benchmarking of salaries is carried out as required and adjustments made where necessary to ensure parity with similar roles in the orchestral sector and/or comparable local organisations.

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of City of Birmingham Symphony Orchestra) are responsible for preparing the Trustees' 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 of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are also responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2022

Statement as to disclosure of information to auditors

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the trustees has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

A resolution will be proposed at the Annual General Meeting that RSM UK Audit LLP be re-appointed as auditors to the charity for the ensuing year.

Acknowledgements

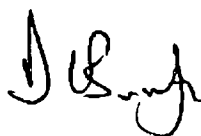
The Board of the CBSO would like to express its deep appreciation to the large number of people and organisations that support the activities of the charity. Primary amongst these are:

- CBSO's major donors, benefactors, legators, circle supporters, patrons and friends.
- The charity's corporate members and supporters.
- Trusts and Foundations which generously support all aspects of our work.
- The City of Birmingham Orchestral Endowment Fund.
- Members and supporters of the CBSO Development Trust.

The board is also grateful for the vital ongoing and exceptional support of the charity's public funders, Arts Council England and Birmingham City Council.

The board is appreciative of the deep commitment of the orchestral musicians, administrative staff and volunteers who help to maintain its standing as a world-class orchestra.

This report, incorporating the Strategic Report, was approved by the trustees on 11th October 2022.



By order of the trustees
David Burbidge CBE (Chair)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY OF BIRMINGHAM SYMPHONY ORCHESTRA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY OF BIRMINGHAM SYMPHONY ORCHESTRA

Opinion

We have audited the financial statements of City of Birmingham Symphony Orchestra (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY OF BIRMINGHAM SYMPHONY ORCHESTRA

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 19, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY OF BIRMINGHAM SYMPHONY ORCHESTRA

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and evaluating advice received from external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the General Data Protection Regulation (GDPR) and employment law, including the Employment Rights Act 1996 and Employment Relations Act 1999. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY OF BIRMINGHAM SYMPHONY ORCHESTRA

Use of our report

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.

Anna Spencer-Gray

Anna Spencer-Gray (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
B3 3AG

Date 12/10/22

City of Birmingham Symphony Orchestra

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account)

for the year ended 31 March 2022

	Notes	Unrestricted funds 2022 £'000	Designated funds 2022 £'000	Restricted funds 2022 £'000	Total funds 2022 £'000	Total funds 2021 £'000
INCOME FROM:						
Voluntary Income						
- Donations & Legacies	2	1,697	60	742	2,499	1,213
- Grant Income	3	3,959	-	198	4,157	5,435
Charitable Activities	4	2,460	-	149	2,609	197
Investments	5	-	-	-	-	2
Other Income	6	7	-	-	7	9
TOTAL		8,123	60	1,089	9,272	6,856
EXPENDITURE ON:						
Raising Funds	7	284	-	-	284	291
Charitable Activities	7	8,421	98	827	9,346	5,967
TOTAL		8,705	98	827	9,630	6,258
NET (EXPENDITURE) / INCOME FOR THE YEAR BEFORE TAX	9	(582)	(38)	262	(358)	598
Tax receivable	11	1,172	-	-	1,172	25
Transfers between funds	16 & 17	227	-	(227)	-	-
Other recognised gains /(losses): Actuarial gain /(loss) on defined benefit pension scheme	15	672	-	-	672	(55)
NET MOVEMENT IN FUNDS		1,489	(38)	35	1,486	568
RECONCILIATION OF FUNDS						
Fund balances brought forward		(6,280)	379	3,218	(2,683)	(3,251)
FUND BALANCES CARRIED FORWARD		(4,791)	341	3,253	(1,197)	(2,683)

All income and expenditure and the resulting net movement in funds arise from continuing operations.

There are no recognised gains or losses other than the net movement in funds for the year.

City of Birmingham Symphony Orchestra

BALANCE SHEET

31 March 2022

Company Registration No. 01262018

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
FIXED ASSETS					
Tangible assets	12		3,419		3,527
CURRENT ASSETS					
Debtors	13	2,315		1,751	
Cash at bank and in hand		3,538		4,199	
		<u>5,853</u>		<u>5,950</u>	
CREDITORS: Amounts falling due within one year	14	(2,959)		(3,603)	
NET CURRENT ASSETS			2,894		2,347
NET ASSETS (excluding Pension Liability)			6,313		5,874
DEFINED BENEFIT PENSION SCHEME LIABILITY	15		(7,510)		(8,557)
TOTAL NET LIABILITIES			<u>(1,197)</u>		<u>(2,683)</u>
THE FUNDS OF THE CHARITY					
RESTRICTED FUNDS	16		3,254		3,218
UNRESTRICTED FUNDS:					
General reserve	17	2,718		2,277	
Designated reserve	17	341		379	
Pension reserve	17	(7,510)		(8,557)	
			<u>(4,451)</u>		<u>(5,901)</u>
TOTAL FUNDS			<u>(1,197)</u>		<u>(2,683)</u>

The financial statements on pages 25 to 44 were approved by the board of directors and authorised for issue on 11th October 2022 and are signed on its behalf by:



David Burbidge
Trustee



Sundash Jassi
Trustee

City of Birmingham Symphony Orchestra
STATEMENT OF CASH FLOWS
For the year ended 31 March 2022

	2022 £'000	2021 £'000
Cash flows from operating activities:		
Cash (used in)/ provided by operating activities	(513)	1,801
Cash flows from investing activities:		
Interest receivable	-	2
Purchase of property, plant and equipment	(148)	(169)
Net cash used in investing activities	(148)	(167)
Change in cash and cash equivalents in the year	(661)	1,634
Cash and cash equivalents at the beginning of the year	4,199	2,565
Cash and cash equivalents at the end of the year	3,538	4,199
Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net (expenditure) /income for the year	(358)	598
Tax receivable	1,172	25
Interest receivable	-	(2)
Depreciation charges	256	225
Defined Benefit Pension Scheme	(375)	5
(Increase) / decrease in debtors	(565)	83
Increase / (decrease) in creditors	(643)	867
Net cash provided by operating activities	(513)	1,801
Analysis of cash and cash equivalents		
Total cash and cash equivalents	3,538	4,199

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2022

1 ACCOUNTING POLICIES

GENERAL INFORMATION

City of Birmingham Symphony Orchestra is a charitable company incorporated in England which does not have share capital. The charity is governed by its Articles of Association.

The address of the charity's registered office is CBSO Centre, Berkley Street Birmingham, B1 2LF.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Going concern

The Trustees acknowledge that the unprecedented level of uncertainty caused by Covid-19 and rapidly changing circumstances mean that the judgements and estimates required by management are more challenging than under normal circumstances. As set out in the going concern section of the Strategic Report, included within the Report of the Trustees, on page 13, there has been a positive financial result for the year leading to an increased level of free reserves. This together with the ongoing support offered by Arts Council England's Culture Recovery Fund and the government's Job Retention Scheme, a healthy cash balance, the benefit of Orchestra Tax Relief as well as other returning sources of income and the continued support of its major funders and the CBSO Development Trust, mean that the going concern basis remains appropriate for the preparation of these financial statements.

City of Birmingham Symphony Orchestra 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.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below.

BASES AND DEFINITION OF INCOME AND EXPENDITURE

Income:

- Income is stated net of value added tax and represents amounts invoiced to third parties and amounts receivable from members and donors.
- Income relating to concert performances is recognised when the concert has been performed.
- Income received in respect of future periods is deferred until such time as the charity has entitlement.
- Donations and legacies are recognised when the charity is entitled to the funds, when receipt is probable, and the monetary value can be measured reliably. Where donor imposed or implicit conditions in relation to the timing of expenditure are attached to an income stream, the income is deferred and released over the specified time period
- Gift aid donations are inclusive of recoverable income tax.
- Grants of a revenue nature are recognised in the period to which they relate.
- Grants of a capital nature are credited to a restricted fund account and released to income over the useful economic life of the asset in line with depreciation.

Interest receivable:

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2022

Expenditure:

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds comprises fundraising costs, which are incurred in raising funds for the charity.
- Charitable activities includes expenditure on the maintenance of the orchestra, marketing and staging concerts, broadcasting and recording, learning & engagement and activities at CBSO Centre.

Support Costs:

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated on a basis consistent with the use of the resources. The bases on which support costs have been allocated are set out in note 7.

Donated services:

The value of services provided by volunteers has not been included in these financial statements.

Translation of foreign currencies:

Transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs. Assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Exchange differences are included in the statement of financial activities.

Irrecoverable VAT:

Irrecoverable VAT is included in general expenses within support costs and apportioned to activities on the basis of income.

TAXATION

The charitable activities of the company are not subject to taxation; therefore, no provision for taxation is required.

Orchestra Tax Relief is recognised as and when the receipt is considered probable and can be reasonably measured.

FUNCTIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the charity. Figures included in the financial statements are rounded to the nearest £1,000.

FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than assets under the course of construction, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Long term leasehold property	20 – 50 years
Technical, stage & musical equipment	5 – 20 years
Plant, fixtures, computers & motor vehicles	3 – 10 years
Works of Art	10 years

Individual assets under £2,500 are written off in full in the year of purchase.

FINANCIAL INSTRUMENTS

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

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2022

TRADE DEBTORS

Trade and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

TRADE CREDITORS AND LIABILITIES

Trade creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Liabilities are recognised when either a constructive or legal obligation exists.

FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds represent unrestricted funds which have been designated for a specific purpose based on decisions approved by the Board of Trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 16 to the financial statements.

RETIREMENT BENEFITS

Defined contribution scheme

For the defined contribution scheme, the amount charged to the Statement of Financial Activities is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit scheme

For the defined benefit retirement scheme, the cost of providing benefits is determined using the projected unit credit method.

Asset/Liability

The net defined benefit liability represents the present value of the defined benefit obligation minus the fair value of scheme assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the scheme.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains/losses

Gains and losses are recognised in the Statement of Financial Activities.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described above, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2022

Defined Benefit Pension Scheme Actuarial assumption

The present value of the defined benefit pension scheme liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 15, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach, which projects results from the latest full actuarial valuation performed at 5 April 2021, has been used by the actuary in valuing the pension's liability at 31 March 2022 (6 April 2018 actuarial valuation for pension's liability at 31 March 2021). Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

2 DONATIONS AND LEGACIES

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Trusts	1,115	102
Donations, Membership and Legacies	1,163	1,109
Sponsorship	221	2
	2,499	1,213

Income from donations and legacies was £2,499,000 (2021: £1,213,000) of which £1,761,000 was unrestricted (2021: £1,149,000), £60,000 was designated (2021: £2,000) and £678,000 was restricted (2021: £62,000).

3 GRANT INCOME

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Arts Council England grant	2,221	2,221
Arts Council England Culture Recovery Fund grant	653	671
Arts Council England Capital grant	198	-
Birmingham City Council grant	608	608
Other grants: Job Retention scheme	477	1,935
	4,157	5,435

All grants were wholly unrestricted in both years with the exception of the Arts Council Capital grant of £198,000 (2021: £nil) which is restricted. The restricted Capital grant received in the year is the final instalment of a £215,000 award made in October 2018 to help fund the purchase of a new instrument truck. The charity took delivery of this new truck in July 2021.

The Arts Council Culture Recovery Fund grant relates to a carry forward from the first round of funding in 2021 amounting to £172,500 together with a second round of funding amounting to £480,000. The funds have been used to help offset the impact of the ongoing Covid-19 restrictions on the charity's activity and income streams in the current financial year.

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

4 INCOME FROM CHARITABLE ACTIVITIES

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Birmingham Concerts and promotions	1,029	20
Other UK engagements	245	-
Overseas engagements	942	15
Broadcasting and recording	166	80
Learning & Engagement	176	44
CBSO Centre income	51	35
Other Income	-	3
	2,609	197

Income from charitable activities was £2,609,000 (2021: £197,000) of which £2,460,000 was unrestricted (2021: £162,000), £nil was designated (2021: £3,000) and £149,000 was restricted (2021: £32,000).

5 INVESTMENT INCOME

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Interest receivable	-	2

Investment income is wholly unrestricted.

6 OTHER INCOME

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Disposal of fixed assets	7	9

Other income is wholly unrestricted.

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

7 ANALYSIS OF TOTAL EXPENDITURE

	Direct Costs £'000	Support & governance costs (note 8) £'000	Total 2022 £'000	Total 2021 £'000
RAISING FUNDS:				
Fundraising expenses	35	249	284	291
CHARITABLE ACTIVITIES:				
Birmingham concerts and promotions	3,871	354	4,225	514
Other UK engagements	527	68	595	-
Overseas engagements	1,372	219	1,591	56
Concert marketing and advertising	235	613	848	456
Broadcasting and recording	889	130	1,019	1,513
Learning & Engagement	357	225	582	325
CBSO Centre	-	95	95	83
Inactive period	-	391	391	3,020
SUBTOTAL	7,251	2,095	9,346	5,967
TOTAL	7,286	2,344	9,630	6,258

Expenditure on raising funds was £284,000 (2021: £291,000) all of which was unrestricted.

Expenditure on charitable activities was £9,346,000 (2021: £5,967,000) of which £8,421,000 was unrestricted (2021: £5,871,000), £98,000 was designated (2021: £2,000) and £827,000 was restricted (2021: £94,000).

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

8 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

The charity identifies the cost of its support functions and the costs which relate to the governance function. These costs are apportioned between the activities of the charity pro rata in line with the basis of usage as noted below:

	Support Costs £'000	Governance Costs £'000	Total 2022 £'000	Basis of apportionment
Salaries (including pensions)	1,244	174	1,418	Time spent
Rent, rates & service charge	119	-	119	Income
Maintenance, buildings & equipment	173	-	173	Income
Professional charges	-	82	82	Income
Depreciation	257	-	257	Income
General expenses	295	-	295	Income
	2,088	256	2,344	

9 NET INCOME/EXPENDITURE FOR THE YEAR

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
This is stated after charging:		
Auditors remuneration		
- for audit services	24	13
- for non-audit services	9	5
Depreciation of tangible fixed assets	257	225

10 STAFF COSTS & TRUSTEE REMUNERATION

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Wages and salaries	3,999	3,539
Social security costs	361	309
Pension costs	170	161
	4,530	4,009

Pensions costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

10 STAFF COSTS & TRUSTEE REMUNERATION (Continued)

The number of employees during the year was as follows:

	Average Headcount		Full Time Equivalent	
	2022 No.	2021 No.	2022 No.	2021 No.
Senior Management	6	5	6	5
Other Office Staff	36	35	33	32
Orchestra	71	71	67	66
	113	111	106	103

The number of employees whose emoluments, excluding pension contributions but including benefits in kind, were in excess of £60,000 in the year ended 31 March was:

	2022 No.	2021 No.
£60,001 to £70,000	-	1
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-

The employers' contribution to the CBSO Group Stakeholder Plan for the above employee(s) was £4,201 (2021: £3,773).

The senior management personnel of the charity comprise the Chief Executive and the Directors for Finance & Resources, Development, Marketing & Digital, Concerts and Learning & Engagement. The total compensation including national insurance and pension contributions payable to the senior management personnel of the charity was £356,104 (2021: £358,921).

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are provided in our Trustee Report. In accordance with FRS102 and the Charities SORP (FRS102), the economic contribution of general volunteers is not recognised in the accounts.

The trustees who are members of the orchestra received total compensation, including national insurance and pension contributions, totalling £85,551 (2021: £86,641), on the same pay scale as that paid to other playing members in respect of their performance with the orchestra. No extra payments were made for their services as trustees of the charity. All other charity trustees were not paid and/or received any other benefits from employment with the charity in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil).

A trustee indemnity insurance premium of £9,520 (2021: £9,395) was paid in the year.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

11 TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The charity has included a tax credit in respect of Orchestra Tax Relief received/receivable as follows:

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Current year relief receivable	1,176	-
Over/(under) provision of prior years' relief	(4)	25
	<u>1,172</u>	<u>25</u>

Tax receivable income is wholly unrestricted.

12 FIXED ASSETS

	Long term leasehold property £'000	Technical, stage & musical equipment £'000	Plant, fixtures, computers and motor vehicles £'000	Work of Art £'000	Total £'000
COST					
At 1 April 2021	4,744	1,200	1,014	18	6,976
Additions	-	4	144	-	148
Disposals	-	-	(124)	-	(124)
At 31 March 2022	<u>4,744</u>	<u>1,204</u>	<u>1,034</u>	<u>18</u>	<u>7,000</u>
DEPRECIATION					
At 1 April 2021	2,081	697	653	18	3,449
Charged in the year	113	56	88	-	257
Disposals	-	-	(124)	-	(124)
At 31 March 2022	<u>2,194</u>	<u>753</u>	<u>617</u>	<u>18</u>	<u>3,582</u>
NET BOOK VALUE					
At 31 March 2022	<u>2,550</u>	<u>451</u>	<u>417</u>	<u>-</u>	<u>3,418</u>
At 31 March 2021	<u>2,663</u>	<u>503</u>	<u>361</u>	<u>-</u>	<u>3,527</u>

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

12 FIXED ASSETS (Continued)

On 15 May 2014, as a condition of the Arts Council England grant towards the refurbishment of the CBSO Centre, the charity executed a 20 year legal charge over the building. This charge gives Arts Council England a first legal mortgage over CBSO Centre up to an amount of the £1.32m grant award.

13 DEBTORS

	2022 £'000	2021 £'000
Trade debtors	263	56
Other debtors	77	276
Prepayments and accrued income	1,975	1,419
	<u>2,315</u>	<u>1,751</u>

14 CREDITORS: Amounts falling due within one year.

	2022 £'000	2021 £'000
Trade creditors	528	441
Other creditors	52	180
Taxation and social security costs	37	7
Deferred income	1,384	2,511
Accruals	958	464
	<u>2,959</u>	<u>3,603</u>

Deferred income:

	2022 £'000	2021 £'000
At 1 April 2021	2,511	1,490
Amount deferred in year	590	1,238
Amount released to income earned from charitable activities	(1,717)	(217)
	<u>1,384</u>	<u>2,511</u>
At 31 March 2022		

Deferred income consists of monies received (including the unrecognised element of a £0.8m legacy which is being recognised equally over a period of eight years in line with the donor's wishes), to support the charity's recovery from Covid -19 and for future education projects and other charitable activities, Chorus membership fees and rent invoiced in advance.

Accruals includes £31,309 (2021: £30,634) of unpaid pension contributions in respect of the Defined Benefit Pension Scheme.

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

15 PENSION AND SIMILAR OBLIGATIONS

An approximate actuarial valuation of the Defined Benefit Scheme was carried out by a qualified independent actuary as at 31 March 2022.

The major financial assumptions used by the actuary were:

	2022	2021
Discount rate (% p.a.)	2.90%	2.20%
Salary increase rate (% p.a.)	3.35%	2.50%
Rate of revaluation in deferment (% p.a.)		
- CPI max 5% p.a.	3.35%	2.50%
- CPI max 2.5% p.a.	3.35%	2.50%
Pension increase rate (% p.a.)		
- RPI, capped at 5% p.a.	3.70%	3.30%
- RPI, capped at 3% p.a.	2.75%	2.55%
- RPI, capped at 2.5% p.a.	2.35%	2.25%
- CPI, capped at 3% p.a.	2.55%	2.40%
Price inflation rate (% p.a.)	3.90%	3.40%
Consumer inflation rate (% p.a.)	3.40%	2.90%
	2022	2021
	Years	Years
Life expectancy at age 65:		
Current pensioners - Men	21.4	21.4
Current pensioners - Women	23.7	23.6
Future pensioners now 45 - Men	21.8	21.8
Future pensioners now 45 - Women	24.3	24.2
Mortality table – pre and post retirement	S3PXA with CMI 2018 - 0.50%	

At the balance sheet date, the fair value of the assets of the Scheme was made up as follows:

	2022	2021
	£'000	£'000
Multi Asset Funds	545	7,434
Equities	9,475	6,850
Property	1,132	181
Gilts & Hedging	6,708	4,730
Alternatives	3,103	951
Cash	287	159
Total	21,250	20,305

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

15 PENSION AND SIMILAR OBLIGATIONS (Continued)

Balance sheet:	2022	2021
	£'000	£'000
Present value of Scheme liabilities	(28,760)	(28,862)
Fair value of Scheme assets	21,250	20,305
Deficit in Scheme	(7,510)	(8,557)

In addition, the trustees held insured annuities. The value of these annuities has been excluded from the assets and liabilities. Their inclusion would have a neutral effect on the deficit figure as the liability value is exactly matched by the value of the insurance policy held.

The employer's best estimate of company contributions to be paid in respect of the Scheme during the financial year ending 31 March 2023 is £444,000.

The scheme does not invest in the employer's own property or other assets.

Analysis of the amount charged to the Statement of Financial Activities

	2022	2021
	£'000	£'000
Interest on Scheme liabilities	625	628
Interest on Scheme assets	(442)	(428)
Administration costs	167	174
Amount charged to operating costs	350	374
Actuarial loss on Scheme liabilities	236	1,989
Actual (gain) on Scheme assets	(908)	(1,936)
Total (gain)/ expense	(322)	427
Total return on Scheme assets	1,350	2,364

Changes in the present value of the defined benefit obligation are as follows:

	2022	2021
	£'000	£'000
Opening defined benefit obligation	28,862	27,115
Interest cost	625	628
Benefits paid	(963)	(870)
Actuarial loss	236	1,989
Closing defined benefit obligation	28,760	28,862

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

15 PENSION AND SIMILAR OBLIGATIONS (Continued)

Changes in the fair value of the scheme assets are as follows:

	2022 £'000	2021 £'000
Opening scheme assets	20,305	18,618
Expected return on assets	442	428
Employer contributions	725	367
Benefits paid	(963)	(870)
Administration costs	(167)	(174)
Actuarial gain	908	1,936
Closing scheme assets	21,250	20,305

16 RESTRICTED FUNDS

	1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2022 £'000
CBSO Centre reserve	2,704	-	-	(84)	2,620
CBSO Truck reserve	-	262	-	(6)	256
Arts Council capital grant	491	-	-	(136)	355
Youth Orchestra reserve	23	-	-	-	23
Education & Chorus reserve	-	149	(149)	-	-
Charitable activities reserve	-	678	(678)	-	-
	3,218	1,089	(827)	(226)	3,254

	1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2021 £'000
CBSO Centre reserve	2,788	-	-	(84)	2,704
Arts Council capital grant	604	-	-	(113)	491
Youth Orchestra reserve	23	-	-	-	23
Education & Chorus reserve	-	32	(32)	-	-
Charitable activities reserve	-	62	(62)	-	-
	3,415	94	(94)	(197)	3,218

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

16 RESTRICTED FUNDS (Continued)

Name of Restricted Fund	Description, Nature and Purposes of the Fund
CBSO Centre reserve	The CBSO Centre reserve comprises amounts received in grants and used to fund both the initial build and future enhancements of CBSO Centre. The transfer in the year is equivalent to the depreciation charge on the assets.
Arts Council capital grant CBSO Centre	The Arts Council capital grant represents monies received from Arts Council England to support the refurbishment of CBSO Centre.
Arts Council capital grant Truck reserve	The Arts Council capital grant represents monies received from Arts Council England to support the purchase of a new instrument truck.
	In line with the terms of these grants, the monies received are shown as separate restricted grants. The transfers in the year is equivalent to the depreciation charge on the CBSO Centre refurbishment with the instrument truck purchase only completed in July 2021.
Youth Orchestra reserve	The Youth Orchestra reserve comprises funds donated by the Midlands Youth Orchestra and a subsequent legacy, to be used in support of the CBSO Youth Orchestra. There was no use of this grant during the year (2021: £nil).
Education & Chorus reserve	The Education & Chorus reserve represents monies received from Trusts, Foundations and Corporate sponsors to fund our Learning & Engagement work in schools and the wider community.
Charitable activities reserve	The Charitable activities reserve represents monies from Trusts and individual sponsors to support other charitable activities including large scale concerts and the Music Director and Orchestra Leader positions.

17 UNRESTRICTED FUNDS

	1 April 2021 £'000	Surplus in year £'000	Actuarial gain on pension scheme £'000	Transfers £'000	31 March 2022 £'000
General reserve	2,277	214	-	227	2,718
Designated reserve	379	(38)	-	-	341
Pension reserve	(8,557)	375	672		(7,510)
	(5,901)	551	672	227	(4,451)

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

17 UNRESTRICTED FUNDS (Continued)

	1 April 2020 £'000	Surplus in year £'000	Actuarial loss on pension scheme £'000	Transfers £'000	31 March 2021 £'000
General reserve	1,455	625	-	197	2,277
Designated reserve	376	3	-	-	379
Pension reserve	(8,497)	(5)	(55)	-	(8,557)
	(6,666)	623	(55)	197	(5,901)

The designated reserve was created in previous financial years to fund the increased artistic cost of the orchestra's centenary celebrations. Given the impact of Covid-19 on the planned centenary activities the Board has agreed that use of this reserve can be extended to cover activities in the 2021-22 and 2022-23 seasons. Amounts used in the year £38,000 (2021: £3,000 used). Any unused element of the reserve will be returned to the general reserves at the end of that period.

18 NET ASSETS BY FUND

	Restricted 2022 £'000	Unrestricted 2022 £'000	Total 2022 £'000
Funds are represented by:			
Fixed assets	3,207	211	3,418
Net Current assets	47	2,848	2,895
Defined benefit pension liability	-	(7,510)	(7,510)
	3,254	(4,451)	(1,197)
	Restricted 2021 £'000	Unrestricted 2021 £'000	Total 2021 £'000
Funds are represented by:			
Fixed assets	3,207	320	3,527
Net Current assets	11	2,336	2,347
Defined benefit pension liability	-	(8,557)	(8,557)
	3,218	(5,901)	(2,683)

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

19 CAPITAL COMMITMENTS

Future capital expenditure contracted for, but not provided in the financial statements as at 31 March 2022 was £nil (2021: £81,331).

20 RELATED PARTY TRANSACTIONS

The following trustees during the year were nominated by Birmingham City Council, a major public funder of the charity, Cllr Sir A Bore, and Cllr A Yip.

The CBSO Pension Trustee Limited, which was incorporated on 22 April 2013, is a wholly owned subsidiary of the charity. The CBSO Pension Trustee Limited acts as the corporate trustee for the charity's defined benefit pension scheme. The registered address of The CBSO Pension Trustee Limited is CBSO Centre, Berkley Street, Birmingham. B1 2LF. There have been no transactions during the year and thus the CBSO Pension Trustee Limited is not consolidated within these accounts. In the year end accounts to 31 March 2022 the net assets of the company were £1.