

City of Birmingham Symphony Orchestra
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended
31 March 2023

Company Registration No. 01262018
Charity No. 506276

City of Birmingham Symphony Orchestra

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City of Birmingham Symphony Orchestra

CHAIR'S REPORT

This has been a year of significant change for the CBSO, with positive outcomes. After 23 years of outstanding service, Stephen Maddock decided to leave us to join the Royal Birmingham Conservatoire as Principal. We are incredibly grateful to Stephen for his huge contribution to the success of the orchestra over a considerable period. We wish him well in his new role and are pleased that he will continue to make a substantial contribution to music in our city. Following Stephen's decision to leave, I agreed to remain as Chair for an additional year to lead the recruitment of a new Chief Executive Officer (CEO) and to oversee the transition. Following a worldwide search with many candidates, the interview panel made the unanimous choice of recommending the appointment of Emma Stenning as our new CEO. She will bring an exciting new approach which I am sure will further enhance the very high standing of the CBSO. She is now building around her a very strong senior management team.

This year we have seen the change of artistic leadership from Mirga to Kazuki. The appointment of Kazuki has been greeted with universal enthusiasm. It was wonderful to see the terrific reception at his first Prom last year. It has been a year of continued success for our orchestra with brilliant concerts in Birmingham and on tour. The major highlight was the Coast-to-Coast tour to the US last autumn, which was made possible through the generosity of our wonderful benefactor John Osborn. I had the chance to attend the concert at Carnegie Hall in New York and was immensely proud to see our players receiving enthusiastic standing ovations, as they had done at all the US venues.

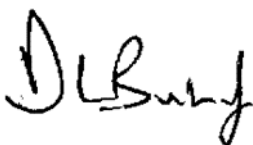
I am pleased to report that, at the time of writing this report, the Shireland CBSO Academy has opened its doors to the first year's intake of students. The Academy will give the opportunity of learning music as the central part of studies to the lives of many young people.

It has also been a time for renewal as far as the Board is concerned. We were sorry to say goodbye during the year to Cllr Sir Albert Bore, Cllr Alex Yip, Timothy Birchall and Lucy Williams, all of whom made an outstanding contribution during their time as Trustees. We have been delighted to welcome as new Board members Gurpreet Bhatia, Jules Parke-Robinson, Catherine Wall, Andrew Herbert, Cllr Darius Sandhu and Cllr Liz Clements. After the year end, we were sorry to lose Emma Bunting as our Company Secretary and Director of Finance & Resources as she moved home to Surrey.

None of the activities outlined in this report would have been possible without the CBSO's broad base of financial support. From our loyal audiences to our 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 all your support over the last year and into the future.

As this will (definitely) be my last annual report, I want to say how much I have enjoyed working with the most wonderful people in our orchestra, the staff, the Board, and our generous supporters. I am very proud to have had the opportunity to lead such an important organisation in Birmingham and our region. I am especially pleased that the CBSO is well placed to embrace the future in the most confident possible shape. I wish my successor, when appointed, every success in this role.

David Burbidge CBE,
DL Chair of Trustees



City of Birmingham Symphony Orchestra

CHIEF EXECUTIVE'S REPORT

I am delighted to be able to present my first Annual Report on behalf of the City of Birmingham Symphony Orchestra, although having taken up my position in April 2023, the contents herein represent the year prior to my arrival with the company.

I must begin, therefore, by echoing our Chair's celebration of Stephen Maddock's exceptional 23 years of leadership, during which the orchestra went from strength to strength. Stephen's warm welcome and kind guidance during my first weeks in Birmingham built for me a terrific foundation on which to build my future leadership of the company. That he remains a friend to the company, and close colleague via his new role as Principal at the Royal Birmingham Conservatoire, sets us up well for onwards collaboration, which I look forward to a great deal.

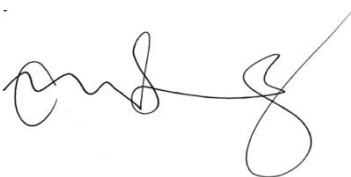
This has indeed been a time for leadership change within the company, with Kazuki Yamada taking on the role of Chief Conductor and Artistic Advisor, following Mirga Gražinytė-Tyla's period at the helm. I have been thrilled to discover, in Kazuki, a likeminded ambition and sense of playfulness for what the orchestra can achieve, and I very much look forward to our working together.

Within our administrative staff, the year saw the departure of Finance Director Annmarie Wallis, Concerts Director Jenny Chadwick, Development Director Simon Fairclough, Director of Marketing & Digital Gareth Beedie, all of whom served the CBSO with dedication, energy and skill. The Senior Team, therefore, welcomed a number of newcomers - Claire Tilt took up leadership of our fundraising department as Director of Development, Beki Smith took on the role of Director of Marketing and Communications and Malcolm Wilson took an interim leadership role as Director of Concerts. The team continue to support me brilliantly, and I look forward to our continued working together.

At the heart of everything, of CBSO, is music and our outstanding team of players have continued to thrill audiences at our home, Symphony Hall, at venues across our city region, and on tour both nationally and internationally. Of particular note for me are the 'symphonic sessions' concerts at the Hockley Social Club which are helping us to welcome an entirely new audience, and Kazuki's first prom, which gave audiences a brilliant taste of things to come.

Finally, I must pay tribute to David Burbidge's exceptional leadership of the CBSO. Whilst I have only had the chance to work with him for a few months, it is entirely clear to me that he has been a chair of extraordinary vision, care and generosity. He will be greatly missed by players, staff and his fellow trustees alike, all of whom would wish me to note our profound thanks for his tireless work on the orchestra's behalf.

Emma Stenning
Chief Executive



City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2023

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2023, 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

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- 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

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 a brilliantly creative year, following the suspension of restrictive Covid protocols. Live performances, choral rehearsals, schools work, youth ensembles and international touring packed the schedule, and it was brilliant to be in direct creative connection with audiences and participants once again, who were delighted to return.

Throughout the 2022/2023 financial year, the CBSO continued to rebuild its audiences- testament to this effort can be seen in the fact that there was a huge increase in tickets purchased by students and under 30s, and this has seen a significant impact on ticket yield. In this financial year the CBSO sold 2,475 tickets more than predicted, and over 25% of audiences were under 30.

Tickets per performance were up by over 200 tickets compared with 2021/2022 - however, it must be noted this is still around 130 tickets fewer per performance on the 2018/2019 season. The frequency of attendance was down but group size was up slightly on pre-pandemic figures.

Key achievements during the year included:

- The successful recruitment of a new Chief Executive, with Emma Stenning having taken over from Stephen Maddock in May 2023
- The appointment of Kazuki Yamada as our Chief Conductor and Artistic Advisor (from April 2023), while Mirga Gražinytė-Tyla became Principal Guest Conductor in September 2022
- The successful negotiation of three years of funding from Arts Council England as part of the National Portfolio
- A period of renewal in the Senior Management Team, with new Directors of Marketing & Communications, Finance & Resources, and Learning and Development taking up their positions
- A substantial tour of North America, including a sell-out performance at Carnegie Hall
- Further growth in the charity's understanding of Equality, Diversity and Inclusion issues, with a renewed Inclusivity & Relevance strategy supporting several significant new initiatives including staff and player training
- New collaboration with the CBSO Benevolent Fund to support player and staff well-being and fitness to work
- Continued innovation and experimentation with digital formats, building on what had been learned during the previous year

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Orchestra Activities

Birmingham Concerts

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

- Four concerts with Kazuki Yamada, who became the CBSO's Chief Conductor and Artistic Advisor on 1 April 2023. This momentous occasion was celebrated in a performance of Orff's *Carmina Burana* which also coincided with the launch of the 2023-24 Season
- Mirga Gražinytė-Tyla appearance with the orchestra in Birmingham in four concerts
- Performances with a range of high-profile returning conductors and soloists including Ilan Volkov, Nicola Benedetti, Paul Lewis, and Sheku Kanneh-Mason; and the debuts of exciting talent such as Kevin John Edusei, Abel Selaecoe, Alexandre Kanterow, and Nadine Benjamin
- The further diversification of its Birmingham offering including a viewing of the 1948 film *Scott of the Antarctic* performed with live soundtrack by the orchestra, and the CBSO's first full video games performance featuring the music of *Final Fantasy*
- A special variety performance to celebrate the Queen's Platinum Jubilee featuring artists and repertoire from across the Commonwealth and hosted by John Suchet
- The CBSO's performance at the opening of the Birmingham Commonwealth Games, reaching an audience of over 5.2 million
- The premiere performances of CBSO Centenary Commissions: *Sei Anime* by Bent Sørensen, *Catamorphosis* by Anna Porvaldsdóttir, *In This Brief Moment* by Brett Dean, *Symphony No. 3* by Thomas Larcher, *Demons* by Freya Waley-Cohen, *Striations* by Bergrún Snæbjörnsdóttir, *Five Polish Folk Songs* by Roxanna Panufnik, and *20 short works by emerging composers for our Sounds New concert (recording to be released by NMC 8/11/2023)*
- The Orchestra continued to increase the amount of music composed by women and composers of colour in its repertoire with over 25 works played throughout this period. Composers included Sammy Moussa, Caroline Shaw, Florence Price, Samuel Coleridge-Taylor, Andrea Tarrodi, Galina Grigorjeva, and Jessie Montgomery
- The CBSO's third cohort of Youth Ambassadors (aged 16-21) which programmed and presented a concert at CBSO Centre
- The Orchestra's performance at its annual concerts for children, giving seven Schools Concerts and two Family Concerts
- The continuation of CBSO's Symphonic Sessions at Hockley Social Club (3), free orchestra performances at New Street Station at rush hour (2), family performances in Lightwood House Bearwood, the Birmingham Library, primary schools, and elsewhere across the city

Other UK Concerts

Highlights of the Orchestra's performances across the UK included:

- Two performances in Warwick Arts Centre, Coventry (one with Ryan Bancroft and the other with Kazuki Yamada)
- Mirga Gražinytė-Tyla and Vilde Frang appearance with the Orchestra in Cardiff's St David's Hall
- A concert at the BBC Proms with Kazuki Yamada featuring Rachmaninov's Symphony No. 2 and a double concerto for horn and violin by Ethyl Smyth
- A performance in Aldeburgh with Ludovic Morlot and Patricia Kopatchinskaja
- A traditional New Year's Viennese programme at Malvern Theatres

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Overseas Touring

The CBSO enjoyed multiple tours with Mirga Gražinytė-Tyla in this period, bouncing back to almost pre-COVID levels of activity. These tours included:

- A March 2022 European tour culminating in three prestigious performances in Vienna at the start of April 2022
- Another visit to Europe (Wuppertal, Baden-Baden, Munich, Regensburg, Prague, Geneva, Lucerne, and Lugano) in May 2022
- A high-profile tour across the USA, including Disney Hall in LA, Davies Symphony Hall in San Francisco, and Carnegie Hall in NYC. This tour featured music of Elgar and Debussy, as well as the US premieres of a CBSO Centenary Commission by Thomas Ades
- A March 2023 tour to Europe (Frankfurt, Koln, Amsterdam, Brussels, Stuttgart, Paris, Essen, Hamburg, Munich, and Vienna)

Digital Activities including Broadcasting and Recording

The CBSO's recording activities included:

- Two concerts filmed at Symphony Hall to be used as part of the curriculum for the Shirelands School (Classic FM Hall of Fame and The Planets)
- Six concerts recorded for broadcast on BBC Radio 3
- A commercial recording of Stanford's Requiem in collaboration with University of Birmingham for Hyperion Records
- A BBC Prom concert with Kazuki Yamada which was broadcast live on BBC4 TV
- The CBSO continued its recording project with Chandos and Ed Gardner of the music of Schubert in the Birmingham Town Hall
- Several on the March 2022 tour of Europe being broadcast by national radio stations abroad.
- The Orchestra's recording of the soundtrack for the Commonwealth Games Opening Ceremony, and the Anthems that were used throughout the games
- The recording and streaming of its Relaxed Concerts

Our Choruses

It has been a busy period for the CBSO Choruses, with a huge range of concerts and activity across the 2022/23 financial year.

The CBSO Chorus have performed in over 20 Birmingham concerts this year, including a Choral Notelets for children aged 0-5 in March 2023, and the world premiere of Brett Dean's *In this Brief Moment*, in September 2022. For the premiere, the CBSO Chorus were joined by its good friends from the Halle Chorus to perform an epic work that looks at the human impact on its fragile climate.

The Chorus performed Mahler's Second Symphony twice in Birmingham (June 2022) and at the BBC Proms with the London Symphony Orchestra and Chorus (August 2022). UK touring continued with a performance of Beethoven's 9th Symphony at Bridgewater Hall, Manchester, with the BBC Philharmonic (October 2022).

As part of a classic CBSO tradition, all its choruses and choirs joined forces for its Choral Christmas concerts (December 2022), presented this year by Alan Titchmarsh. Alongside the Christmas concerts, its Children's Chorus and Youth Chorus performed a range of works and concerts including two performances of Holst's *The Planets* (February 2023), Vaughan-Williams' *Scott of the Antarctic* (November 2022), and pre-concert performances in November 2022 and February 2023.

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SO Vocal, the CBSO's community choir, said goodbye to their long-term conductor Ula Weber and celebrated their tenth anniversary with an excellent concert at Town Hall, with music from across the globe (July 2022).

SO Vocal then welcomed its new conductor, Lucy Hollins, to the choir in October 2022.

Learning & Engagement Activities

Across the 2022/2023 financial year, the CBSO had over 40,000 interactions with its Learning & Engagement programme, both live and digitally.

The CBSO Youth Orchestra, formed of 90 incredible young musicians based in the West Midlands, performed three incredible concerts with internationally recognised soloists and conductors, including Randall Goosby on violin, and Lawrence Power on viola. Its Relaxed and Schools' Concerts, performed at the CBSO Centre, B:Music's Symphony Hall, and released as live stream over YouTube, reached over 14,000 young people across the country.

In the summer of 2022, a small ensemble of CBSO musicians toured six schools around Sandwell with 'ComMOONwealth Games: Race Through Space!', to help build young people's awareness of the orchestra before recruitment opened for the Shireland CBSO Academy, which opened in September 2023. As part of this long-lasting relationship with the Shireland Collegiate Academy Trust, over 150 students each year will be welcomed to the Shireland CBSO Academy in West Bromwich.

The CBSO also welcomed its first five Career Accelerator Fellows: early-career string musicians from under-represented backgrounds in the orchestral sector who will work with the Orchestra, in partnership with Black Lives in Music, to effect positive change in the sector's representation.

Alongside these programmes, the CBSO's long-standing projects such as Music & Ability (working with children and young people with Profound and Multiple Learning Disabilities), Notelets (for children aged 0-5), Project Remix (for young instrumentalists), and Cuppa Concerts (for those living with Dementia), continued to build relationships with its local communities.

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 2023 and the preceding financial year are set out in the Statement of Financial Activities on page 24.

In summary, income was £9.3m (less was earned from grants, but more was earned from concerts and engagements, so this was comparable with prior year). Expenditure was £11.8m (more was spent on concerts and engagements so this was £2.1m more than prior year). This would have reported a loss of £2.4m, but Orchestra Tax Relief and actuarial gains mean a net favourable movement in funds.

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for the year ended 31 March 2023

The net financial result for the year was a surplus of £2.4m of which £2.2m related to actuarial movement on the Defined Benefit Pension Scheme (2022: £1.5m of which £0.7m related to actuarial movement). Total income remained consistent, but expenditure increased by £2.1m, which was offset by an increase in tax receivable (Orchestra Tax Relief) of £1.4m, and an increase in the actuarial gain in the year of £1.5m, hence the £0.9m increase in surplus.

Total income for the year was £9.3m (2022: £9.3m). The principal funding sources of the charity in the year were:

- Revenue grant income from Arts Council England of £2.2m and £0.6m from Birmingham City Council, both of which showed level funding compared with the previous year
- Earned income of £4.0m (2022: £2.6m) 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 (2022: £2.5m)

A full analysis of expenditure on charitable activities is given in note 7. Total expenditure for the year was £11.8m (2022: £9.6m).

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 £5.2m (2022: £7.5m). 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 a 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. It has plans for 2023-2026 with Arts Council England as part of its agreed National Portfolio funding for that period. These 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. Within this context, the new CEO is embarking on a period of strategic review, which will result in a new Business Plan for the CBSO, 2024 – 2029.

The business plan will contemplate:

- A redoubled commitment to Birmingham, seeking to more deeply connect the orchestra to the full breadth of the city's diverse cultural communities
- A commitment to explore how CBSO stage orchestral performance, acknowledging that new audiences are often in search of a more immersive or event like experience
- Partnership with Black Lives in Music and other initiatives to further develop the cultural diversity of CBSO players, staff and board

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- The opening of its school, the CBSO Shireland Academy, and its possible impact on its pupils, teachers and administrators, their families, carers and communities, and the ongoing professional lives of its players and staff
- Improving its financial position by successfully concluding the *Sound of the Future* fundraising campaign, re-establishing and then growing other annual income streams to help build its General Reserve levels
- Recruiting and retaining the best possible musicians and Chorus members whilst seeking to become a more culturally representative organisation
- Advocacy work with its 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 its activities, both at home and abroad, and seeking to minimise its carbon footprint

Alongside this CBSO 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 Chief Conductor Kazuki Yamada and guest conductors, designed to appeal to the broadest possible audiences in the West Midlands and further afield
- The premiere performances of commissions by Anna Clyne (May 2024), John Luther Adams (June 2024) and planning future commissions including by *Sounds New* composer Heloise Werner
- Tours to the most prestigious venues and festivals worldwide, including further tours to Europe and Asia with Kazuki Yamada
- A collaboration with Birmingham Opera for a new production of *Tippets New Year* in summer 2024, conducted by Alpesh Chauhan
- Visits to all the major UK festivals including BBC Proms, Aldeburgh, and Edinburgh
- Further recordings for Chandos, film soundtracks and other labels
- Chorus engagements with choirs, orchestras and festivals in London, Monte Carlo, and Berlin
- Collaborations with Birmingham partners including University of Birmingham, Royal Birmingham Conservatoire, Birmingham Contemporary Music Group, Hockley Social Club, B:Music, Ex Cathedra and others

Fundraising Practices

The CBSO has a professional and established Development Directorate, 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 received was just over £2.5m, meaning that the Sound of the Future Campaign has now over £8m in received gifts and a further £3.75m expected in gifts and pledges in the next two years. This means the CBSO are less than £1m short of its target of £12.5m. Some of the transformation gifts made to the Campaign in the last 12 months include:

- An anonymous gift of £400,000 across two years to support the Shireland CBSO Academy
- A three-year commitment from the Esmée Fairbairn Foundation to support its pioneering Career Accelerator Programme
- A new corporate partnership with Sir Peter Rigby's company SCC

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- Over £1.4m raised from individuals to support some of the following projects:
 - Youth Orchestra
 - Symphonic Sessions
 - Schools Concerts Appeal
 - The CBSO's Artistic programming through Keynote Concerts
 - Project Remix
 - USA Tour

None of this would have been possible without the CBSO individual donors, trusts and foundations and corporates who have so generously supported the CBSO – and it extends a thank you.

To ensure that donors are at heart of its fundraising the CBSO voluntarily subscribes to the Fundraising Regulator and continues to adhere to the Regulator's Code of Fundraising Practice. The CBSO's gift acceptance policy is reviewed annually by the Audit & Risk Committee. This policy, which is based on Charity Commission guidelines, sets out the procedure for accepting gifts from donors and the reporting and use of such donations.

The CBSO are pleased to report that in the financial year 2022/2023 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 CBSO have developed over several decades. The CBSO takes particular care to maintain these relationships by avoiding being unreasonably persistent or placing undue pressure on potential donors to give money. In particular the CBSO:

- Place 'respect' at the heart of its Fundraising Strategy which is reviewed annually and shared with CBSO Senior Management Team and the Board of Trustees and informs the day-to-day work of the team
- Ensure procedures and systems are in place to avoid making persistent direct marketing or face-to-face requests of the same individual for support
- Exclude individuals who have asked not to receive fundraising information from relevant communications – whether directly or via the Fundraising Preference Service
- Ensure 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, 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:

- 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 the aftermath of Brexit

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- An increased regulatory environment

A focus on the relevant key performance indicators (KPIs) and good relationships with its 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
- 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, was completed before Covid and will look to be completed in the next 12 months and on a regular basis thereafter.
- 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.

The level of free reserves increased during the year to £3.4m (2022: £2.7m).

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 £5.2m (2022: £7.5m). 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 last 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.

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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.

Public Funding and Going Concern

The charity is supported by grant funding bodies. Revenue grant income from this source amounted to £2.8m representing 30% (2022: £4.1m, representing 32%) of the charity's total income.

Annual revenue grants from Arts Council England are secured up to 31 March 2026, at £2.2m.

Orchestra Tax Relief continues to be of significant benefit to the CBSO, with the increased rate of 50% secured up 31 March 2025.

Birmingham City Council had agreed its overall arts budget up to 31 March 2026. CBSO's share of this arts budget continued at a level of £0.6m for 2023-2024. Birmingham City Council has recently issued a section 114 notice and so its spending is currently under review, however we have verbally been assured the funding for 2023-2024, with ongoing talks being held about agreed funding to March 2026.

Apart from its public funding, the CBSO has a broad range of other income sources, and it is not critically dependent 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 2023-2024 and beyond are confirmed.

Despite the challenging climate, as the charity has an improved level of general reserves, an acceptable 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 its programme, its culture, and its forward plans. The CBSO's EDI Plan has been reviewed by the Senior Management Team and will be refreshed ready for the start of the 2023/2024 year and will align with its commitments as part of its 2023-2026 Arts Council England National Portfolio application.

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.

The charity continues to champion education, learning and audience/community engagement as key priorities and to set out appropriate strategies and activities to enable it to deliver against its 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 the work

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2023

of the CBSO, regardless of age, background or financial means. The charity's activities in this regard are also informed by the priorities of its key public funders, Birmingham City Council and Arts Council England.

Reference and Administration details

Charity Registration number:	506276
Company Registration number:	01262018
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

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 (resigned 13 December 2022)	
	Timothy Birchall * (resigned 15 May 2023)	
	Helen Edgar ~ *	
	Jane Fielding #	
	Emily Ingram	
	Sundash Jassi *	
	Chris Loughran DL #	
	Gurpreet Bhatia (appointed 16 January 2023)	
	Cllr Liz Clements (appointed 13 December 2022)	
	Andrew Herbert ~ (appointed 15 May 2023)	
	Julia Parke-Robinson (appointed 16 January 2023)	
	Cllr Darius Sandhu (appointed 18 July 2022)	
	Catherine Wall * (appointed 16 January 2023)	
	Alex Yip (resigned 18 July 2022)	
	Lucy Williams * (resigned 21 November 2022)	
Senior Management Team:	Stephen Maddock OBE	Chief Executive (resigned 27 April 2023)
	Emma Stenning	Chief Executive (appointed 3 April 2023)
	Emma Bunting	Director of Finance & Resources (resigned 30 June 2023)
	Sally Munday	Director of Finance & Resources (appointed 11 September 2023)
	Gareth Beedie	Director of Marketing & Digital (resigned 21 December 2022)

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2023

	Beki Smith	Director of Marketing & Communications (appointed 3 January 2023)
	Claire Tilt	Director of Development (appointed 25 April 2022)
	Tom Spurgin	Director of Learning & Engagement (appointed 16 May 2022)
	Jenny Nicholls Malcolm Wilson	Director of Concerts (resigned 9 December 2022) Interim Director of Concerts (appointed 23 January 2023)
	Graham Sibley	Director of Orchestra Operations (appointed 31 August 2023)
Senior Music Officers:	Mirga Gražinytė-Tyla	Music Director (resigned 31 March 2023)
	Kazuki Yamada	Chief Conductor (appointed 27 April 2023)
	Simon Halsey CBE	Chorus Director

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

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.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2023

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.

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 £11,200 (2022: £9,520).

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.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2023

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.

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.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2023

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:

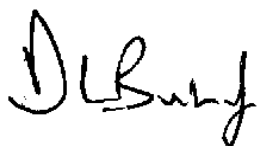
- CBSO's major donors, benefactors, legators, circle supporters, patrons and friends
- The charity's corporate members and supporters
- Trusts and Foundations which generously support all aspects of our work
- The City of Birmingham Orchestral Endowment Fund
- Members and supporters of the CBSO Development 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 31 October 2023

By order of the trustees
David Burbidge CBE
(Chair)



Opinion

We have audited the financial statements of City of Birmingham Symphony Orchestra (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 2023 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 performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

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 17, 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.

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

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

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 frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- 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 Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities 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.

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

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.

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: 7 November 2023

City of Birmingham Symphony Orchestra
STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
for the year ended 31 March 2023

	<i>Notes</i>	Unrestricted funds 2023 £'000	Designated funds 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000
INCOME FROM:						
Voluntary Income						
- Donations & Legacies	2	1,394	45	1,043	2,482	2,499
- Grant Income	3	2,839	-	-	2,839	4,157
Charitable Activities	4	3,895	-	114	4,009	2,609
Investments	5	2	-	-	2	-
Other Income	6	-	-	-	-	7
TOTAL		8,130	45	1,157	9,332	9,272
EXPENDITURE ON:						
Raising Funds	7	411	-	-	411	284
Charitable Activities	7	9,813	386	1,157	11,356	9,346
TOTAL		10,224	386	1,157	11,767	9,630
NET (EXPENDITURE) / INCOME FOR THE YEAR BEFORE TAX	9	(2,094)	(341)	-	(2,435)	(358)
Tax receivable	11	2,614	-	-	2,614	1,172
Transfers between funds	16 & 17	251	-	(251)	-	-
Other recognised gains /(losses): Actuarial gain /(loss) on defined benefit pension scheme	15	2,189	-	-	2,189	672
NET MOVEMENT IN FUNDS		2,960	(341)	(251)	2,368	1,486
RECONCILIATION OF FUNDS						
Fund balances brought forward		(4,792)	341	3,254	(1,197)	(2,683)
FUND BALANCES CARRIED FORWARD		(1,832)	-	3,003	1,171	(1,197)

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 2023

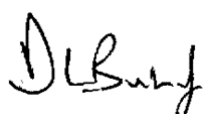
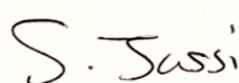
Company Registration No. 01262018

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
FIXED ASSETS					
Tangible assets	12		3,204		3,419
CURRENT ASSETS					
Stock and Work in Progress		1		-	
Debtors	13	5,316		2,315	
Cash at bank and in hand		454		3,538	
			<u>5,771</u>	<u>5,853</u>	
CREDITORS: Amounts falling due within one year	14	(2,602)		(2,959)	
NET CURRENT ASSETS			<u>3,169</u>	<u>2,894</u>	
NET ASSETS (excluding Pension Liability)			<u>6,373</u>	<u>6,313</u>	
DEFINED BENEFIT PENSION SCHEME LIABILITY	15		(5,202)		(7,510)
TOTAL NET LIABILITIES			<u>1,171</u>	<u>(1,197)</u>	
THE FUNDS OF THE CHARITY					
RESTRICTED FUNDS	16		3,003		3,254
UNRESTRICTED FUNDS:					
General reserve	17	3,370		2,718	
Designated reserve	17	-		341	
Pension reserve	17	(5,202)		(7,510)	
			<u>(1,832)</u>	<u>(4,451)</u>	
TOTAL FUNDS			<u>1,171</u>	<u>(1,197)</u>	

The financial statements on pages 24 to 43 were approved by the board of directors and authorised for issue on 31 October 2023 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 2023

	2023 £'000	2022 £'000
Cash flows from operating activities:		
Cash (used in)/ provided by operating activities	(3,035)	(513)
Cash flows from investing activities:		
Interest receivable	2	-
Purchase of property, plant and equipment	(51)	(148)
Net cash used in investing activities	(49)	(148)
Change in cash and cash equivalents in the year	(3,084)	(661)
Cash and cash equivalents at the beginning of the year	3,538	4,199
Cash and cash equivalents at the end of the year	454	3,538
Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net (expenditure) /income for the year	(2,435)	(358)
Tax receivable	2,614	1,172
Interest receivable	(2)	-
Loss on disposal of property, plant and equipment	2	-
Depreciation charges	264	256
Defined Benefit Pension Scheme	(119)	(375)
(Increase) / decrease in stock and work in progress	(1)	
(Increase) / decrease in debtors	(3,001)	(565)
Increase / (decrease) in creditors	(357)	(643)
Net cash provided by operating activities	(3,035)	(513)
Analysis of cash and cash equivalents		
Total cash and cash equivalents	454	3,538

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2023

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 Birmingham City Council's section 114 notice, the aftermath of 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 14, 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, 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 the 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 2023

1 ACCOUNTING POLICIES (Continued)

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 include 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 2023

1 ACCOUNTING POLICIES (Continued)

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.

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2023

1 ACCOUNTING POLICIES (Continued)

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.

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 2023 (5 April 2021 actuarial valuation for pension's liability at 31 March 2022). 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 2023

2 DONATIONS AND LEGACIES

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Trusts	843	1,115
Donations, Membership and Legacies	1,480	1,163
Sponsorship	159	221
	<hr/>	<hr/>
	2,482	2,499
	<hr/>	<hr/>

Income from donations and legacies was £2,482,000 (2022: £2,499,000) of which £1,394,000 was unrestricted (2022: £1,761,000), £45,000 was designated (2022: £60,000) and £1,043,000 was restricted (2022: £678,000).

3 GRANT INCOME

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Arts Council England grant	2,221	2,221
Arts Council England Culture Recovery Fund grant	-	653
Arts Council England Capital grant	-	198
Birmingham City Council grant	608	608
Other grants: Job Retention scheme	10	477
	<hr/>	<hr/>
	2,839	4,157
	<hr/>	<hr/>

All grants were wholly unrestricted in both years with the exception of the Arts Council Capital grant of £Nil (2022: £198,000) which is restricted. The restricted Capital grant received last 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 received last year 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 prior financial year.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

4 INCOME FROM CHARITABLE ACTIVITIES

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Birmingham Concerts and promotions	1,372	1,029
Other UK engagements	343	245
Overseas engagements	1,993	942
Broadcasting and recording	77	166
Learning & Engagement	142	176
CBSO Centre income	82	51
Other Income	-	-
	<hr/>	<hr/>
	4,009	2,609
	<hr/>	<hr/>

Income from charitable activities was £4,009,000 (2022: £2,609,000) of which £3,895,000 was unrestricted (2022: £2,460,000) and £114,000 was restricted (2022: £149,000).

5 INVESTMENT INCOME

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Interest receivable	2	-
	<hr/>	<hr/>

Investment income is wholly unrestricted.

6 OTHER INCOME

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Disposal of fixed assets	-	7
	<hr/>	<hr/>

Other income is wholly unrestricted.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

7 ANALYSIS OF TOTAL EXPENDITURE

	Direct Costs £'000	Support & governance costs (note 8) £'000	Total 2023 £'000	Total 2022 £'000
RAISING FUNDS:				
Fundraising expenses	75	336	411	284
CHARITABLE ACTIVITIES:				
Birmingham concerts and promotions	4,054	436	4,490	4,225
Other UK engagements	549	99	648	595
Overseas engagements	3,554	461	4,015	1,591
Concert marketing and advertising	345	650	995	848
Broadcasting and recording	205	74	279	1,019
Learning & Engagement	415	304	719	582
CBSO Centre	-	210	210	95
Inactive period	-	-	-	391
SUBTOTAL	9,122	2,234	11,356	9,346
TOTAL	9,197	2,570	11,767	9,630

Expenditure on raising funds was £411,000 (2022: £284,000) all of which was unrestricted.

Expenditure on charitable activities was £11,356,000 (2022: £9,346,000) of which £9,813,000 was unrestricted (2022: £8,421,000), £386,000 was designated (2022: £98,000) and £1,157,000 was restricted (2022: £827,000).

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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 2023 £'000	Basis of apportionment
Salaries (including pensions)	1,281	167	1,448	Time spent
Rent, rates & service charge	173	-	173	Income
Maintenance, buildings & equipment	200	-	200	Income
Professional charges	-	127	127	Income
Depreciation	262	-	262	Income
General expenses	360	-	360	Income
	2,276	294	2,570	

9 NET INCOME/EXPENDITURE FOR THE YEAR

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
This is stated after charging:		
Auditors' remuneration		
- for audit services	26	24
- for non-audit services	7	9
Depreciation of tangible fixed assets	264	257

10 STAFF COSTS & TRUSTEE REMUNERATION

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Wages and salaries	3,997	3,999
Social security costs	448	361
Pension costs	188	170
	4,633	4,530

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 2023

10 STAFF COSTS & TRUSTEE REMUNERATION (Continued)

The number of employees during the year was as follows:

	Average Headcount		Full Time Equivalent	
	2023 No.	2022 No.	2023 No.	2022 No.
Senior Management	6	6	6	6
Other Office Staff	35	36	32	33
Orchestra	68	71	63	67
	109	113	101	106

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:

	2023 No.	2022 No.
£60,001 to £70,000	1	-
£90,001 to £100,000	-	-
£100,001 to £110,000	1	1

The employers' contribution to the CBSO Group Stakeholder Plan for the above employee(s) was £7,850 (2022: £4,201).

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 £423,517 (2022: £356,104).

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, totaling £79,244 (2022: £85,551), 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 (2022: £nil) neither were they reimbursed expenses during the year (2022: £nil).

A trustee indemnity insurance premium of £11,200 (2022: £9,520) was paid in the year.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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 2023 £'000	Year ended 31 March 2022 £'000
Current year relief receivable	2,575	1,176
Over/(under) provision of prior years' relief	39	(4)
	2,614	1,172
	2,614	1,172

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 2022	4,744	1,204	1,034	18	7,000
Additions	-	-	51	-	51
Disposals	-	(1)	(2)	-	(3)
At 31 March 2023	4,744	1,203	1,083	18	7,048
DEPRECIATION					
At 1 April 2022	2,194	753	617	18	3,582
Charged in the year	113	52	99	-	264
Disposals	-	-	(2)	-	(2)
At 31 March 2023	2,307	805	714	18	3,844
NET BOOK VALUE					
At 31 March 2022	2,550	451	417	-	3,418
At 31 March 2023	2,437	398	369	-	3,204

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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

	2023 £'000	2022 £'000
Trade debtors	96	263
Other debtors	243	77
Prepayments and accrued income	4,977	1,975
	5,316	2,315
	5,316	2,315

14 CREDITORS: Amounts falling due within one year.

	2023 £'000	2022 £'000
Trade creditors	696	528
Other creditors	12	52
Taxation and social security costs	24	37
Deferred income	905	1,384
Accruals	965	958
	2,602	2,959
	2,602	2,959

Deferred income:

	2023 £'000	2022 £'000
At 1 April 2022	1,384	2,511
Amount deferred in year	452	590
Amount released to income earned from charitable activities	(931)	(1,717)
	905	1,384
At 31 March 2023	905	1,384

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 (2022: £31,309) 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 2023

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 2023.

The major financial assumptions used by the actuary were:

	2023	2022
Discount rate (% p.a.)	4.90%	2.90%
Salary increase rate (% p.a.)	3.35%	3.35%
Rate of revaluation in deferment (% p.a.)		
- CPI max 5% p.a.	2.85%	3.35%
- CPI max 2.5% p.a.	2.85%	3.35%
Pension increase rate (% p.a.)		
- RPI, capped at 5% p.a.	3.25%	3.70%
- RPI, capped at 3% p.a.	2.55%	2.75%
- RPI, capped at 2.5% p.a.	2.25%	2.35%
- CPI, capped at 3% p.a.	2.30%	2.55%
Price inflation rate (% p.a.)	3.35%	3.90%
Consumer inflation rate (% p.a.)	3.40%	4.40%
	2023	2022
	Years	Years
Life expectancy at age 65:		
Current pensioners - Men	21.6	21.4
Current pensioners - Women	23.9	23.7
Future pensioners now 45 - Men	22.0	21.8
Future pensioners now 45 - Women	24.5	24.3
Mortality table – pre and post retirement	S3PXA with CMI 2020 - 0.50%	

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

	2023	2022
	£'000	£'000
Multi Asset Funds	4,368	545
Equities	10,552	9,475
Property	369	1,132
Gilts & Hedging	243	6,708
Alternatives	554	3,103
Cash	297	187
	<hr/>	<hr/>
Total	16,383	21,250
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City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

15 PENSION AND SIMILAR OBLIGATIONS (Continued)

Balance sheet:	2023	2022
	£'000	£'000
Present value of Scheme liabilities	(21,585)	(28,760)
Fair value of Scheme assets	16,383	21,250
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Deficit in Scheme	(5,202)	(7,510)
	<hr/>	<hr/>

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 £466,000.

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

	2023	2022
	£'000	£'000
Interest on Scheme liabilities	819	625
Interest on Scheme assets	(606)	(442)
Administration costs	112	167
	<hr/>	<hr/>
Amount charged to operating costs	325	350
Actuarial (gain)/loss on Scheme liabilities	(6,965)	236
Actual loss/(gain) on Scheme assets	4,776	(908)
	<hr/>	<hr/>
Total (gain)/ expense	(1,864)	(322)
	<hr/>	<hr/>
Total return on Scheme assets	(4,170)	1,350
	<hr/>	<hr/>

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

	2023	2022
	£'000	£'000
Opening defined benefit obligation	28,760	28,862
Interest cost	819	625
Benefits paid	(1,029)	(963)
Actuarial (gain)/loss	(6,965)	236
	<hr/>	<hr/>
Closing defined benefit obligation	21,585	28,760

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

15 PENSION AND SIMILAR OBLIGATIONS (Continued)

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

	2023 £'000	2022 £'000
Opening scheme assets	21,250	20,305
Expected return on assets	606	442
Employer contributions	444	725
Benefits paid	(1,029)	(964)
Administration costs	(112)	(167)
Actuarial (loss)/gain	(4,776)	908
	<hr/>	<hr/>
Closing scheme assets	16,383	21,250

16 RESTRICTED FUNDS

	1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2023 £'000
CBSO Centre reserve	2,620	-	-	(83)	2,537
CBSO Truck reserve	256	-	-	(9)	247
Arts Council capital grant	355	-	-	(144)	211
Youth Orchestra reserve	23	-	-	(15)	8
Education & Chorus reserve	-	114	(114)	-	-
Charitable activities reserve	-	1,043	(1,043)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,254	1,157	(1,157)	(251)	3,003

	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)	-	-
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	3,218	1,089	(827)	(226)	3,254

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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. The transfer in the year is equivalent to the depreciation charge on the assets.
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. The transfer in the year is equivalent to the depreciation charge on the assets.
	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 assets.
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. During the year £15k of the grant was used (2022: £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 2022 £'000	Surplus in year £'000	Actuarial gain on pension scheme £'000	Transfers £'000	31 March 2023 £'000
General reserve	2,718	401	-	251	3,370
Designated reserve	341	(341)	-	-	-
Pension reserve	(7,510)	119	2,189		(5,202)
	(4,451)	179	2,189	251	(1,832)

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

17 UNRESTRICTED FUNDS (Continued)

	1 April 2021 £'000	Surplus in year £'000	Actuarial loss 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)

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 2021/2022 and 2022/2023 seasons. Amounts used in the year £341,000 (2022: £38,000 used).

18 NET ASSETS BY FUND

	Restricted 2023 £'000	Unrestricted 2023 £'000	Total 2023 £'000
Funds are represented by:			
Fixed assets	2,990	214	3,204
Net Current assets	13	3,156	3,169
Defined benefit pension liability	-	(5,202)	(5,202)
	3,003	(1,832)	1,171
	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)

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

19 CAPITAL COMMITMENTS

Future capital expenditure contracted for, but not provided in the financial statements as at 31 March 2023 was £nil (2022: £nil).

20 RELATED PARTY TRANSACTIONS

The following trustees during the year were nominated by Birmingham City Council, a major public funder of the charity, Cllr D Sandhu, and Cllr L Clements.

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 2023 the net assets of the company were £1.