

Company No. 01262018

CITY OF BIRMINGHAM SYMPHONY ORCHESTRA

**Annual Report and Accounts
For the year ended 31 March 2012**

FRIDAY



A1E2RQYO

A11

27/07/2012

#353

COMPANIES HOUSE

City of Birmingham Symphony Orchestra

Report of the trustees for the year ended 31 March 2012

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2012

Reference and administrative details

Charity number 506276

Company number 1262018

Registered Office CBSO Centre, Berkley Street, Birmingham B1 2LF

Professional Advisers

| | |
|-------------------|---|
| Auditors | Baker Tilly UK Audit LLP, St Philips Point, Temple Row, Birmingham B2 5AF |
| Bankers | HSBC Bank plc, 130 New Street, Birmingham B2 4JU |
| Solicitors | Martineau, No 1 Colmore Square, Birmingham B4 6AA |
| Insurance Brokers | Jardine Lloyd Thompson, St Philips Point, Temple Row, Birmingham B2 5AB |

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees

The trustees serving during the year and since the year end were as follows

Elected Trustees

| | |
|-----------------|----------------------------------|
| B Blow | (Chair – appointed 5 March 2012) |
| K Muthalagappan | (resigned 5 March 2012) |
| R Cunningham | |
| WL Francis | (retired 16 November 2011) |
| D Page | |
| PW Spilsbury | |
| C Bawden | |
| R Pemberton | (appointed 16 November 2011) |

Co-opted Trustees

| | |
|-------------|------------------------|
| JCF Barwell | Deputy Chairman |
| S Wilson | (resigned 6 June 2011) |

Birmingham City Council Nominated Trustees

| | |
|------------------|--------------------------|
| Cllr M Afzal | (resigned 27 June 2011) |
| Cllr A Underwood | (resigned 11 June 2012) |
| Cllr M Gregson | (appointed 27 June 2011) |
| Cllr R Brew | (appointed 11 June 2012) |

Player Nominated Trustees

| | |
|---------------|--------------------------|
| D Gregory | (resigned 31 July 2011) |
| M –C Zupancic | (resigned 6 July 2012) |
| C Arlidge | (appointed 31 July 2011) |
| J Patton | (appointed 6 July 2012) |

Company Secretary A Wallis

Chief Executive SD Maddock

Structure, Governance and Management

Governing Document

City of Birmingham Symphony Orchestra (CBSO) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 June 1976 and amended by Special Resolutions dated 27 September 1994, 13 September 2000 and 31 July 2001. It is registered as a charity with the Charity Commission. Anyone over the age of 18 can become a member, and there are currently 466 members, each of whom agrees to contribute 50p in the event of the charity winding up.

Organisation

The board of trustees, which can have up to 13 members, administers the charity. The board meets around eight times a year and there are sub-committees covering remuneration, finance, marketing & audience development, learning & participation, external affairs, organisational development and an artistic forum. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity.

Appointment of trustees

As set out in the Articles of Association, up to seven trustees are elected by the members, two are nominated by Birmingham City Council, two are elected by the players and two co-opted by the Board. In addition, any casual vacancy among the elected trustees shall be filled by co-option by the Board.

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 Memorandum and Articles of Association, the committee and decision making processes, and the 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 and they are also encouraged to attend appropriate external training events which will assist them in carrying out their duties.

Risk management

The trustees have a risk management strategy which comprises

- An annual review of the risks which the charity faces,
- The establishment of systems and procedures to mitigate identified risks,
- The implementation of procedures to minimise the impact of any risks which materialise

The trustees consider that the major risks facing the charity are

- Under funding of the CBSO Pension Scheme,
- The threat of reduced box office income,

- The threat of reduced income from public funders, sponsors, trusts, foundations and individual givers

Connected Parties

The CBSO Development Trust is a separate charitable trust, the principal objective of which is to make donations to the City of Birmingham Symphony Orchestra at the discretion of the trustees

Principal Activities

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

Objectives and activities

The mission of the charity is to offer musical excellence in performance and education, for the widest possible audiences, covering a broad repertoire including new music, via a family of instrumental and choral ensembles, led by a world class symphony orchestra, which act as ambassadors for Birmingham, the West Midlands and the UK

The objects of the charity, as stated in its memorandum and 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

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

The major activities of the charity are

- Promoting concerts in Birmingham as the resident orchestra at Symphony Hall, performing a wide range of music, including evening subscription concerts, a series of lighter symphonic repertoire on Friday nights, and schools, matinee and family concerts
- Concert performances at other venues in the United Kingdom, including appearances at major arts festivals such as the BBC Proms, Cheltenham and Lichfield, together with regular engagements at such West Midlands venues as Dudley, Wolverhampton, Malvern, Stoke and Shrewsbury
- Concert performances around the world, acting as a cultural ambassador for the City of Birmingham
- Regular broadcasting work on radio and television and the release of highly acclaimed CDs for a variety of recording companies
- An extensive education programme in schools and local communities, working with over 35,000 people each year, including a successful Youth Orchestra

- Running three unpaid professional choruses, one each for adults, young people and children, as well as an un-auditioned youth choir in partnership with Birmingham Music Service, which all perform with both the CBSO and other musical groups
- Management of the CBSO Centre, which is the orchestra's rehearsal and administrative home, but also functions as a medium-scale performance venue, and stages a series of mainly lunchtime chamber concerts by CBSO players as well as being let out to other arts organisations

Achievements and Performance

The Orchestra promoted 104 Birmingham performances at Symphony Hall, Town Hall and CBSO Centre in the year. Highlights included

- The climax of Birmingham's first Mahler cycle, featuring a performance of his epic Resurrection Symphony (conducted by Kazushi Ono) and *Das Lied von der Erde* (conducted by Sir Simon Rattle)
- Two performances of Verdi's dramatic Requiem, conducted by Andris Nelsons, opened our 2011-12 season, with the CBSO Chorus and an international line-up of soloists
- A concert performance of Wagner's opera *Tristan and Isolde*, featuring a world-class team of opera singers
- Major concerts conducted by Andris Nelsons included two performances each of Shostakovich's huge Leningrad Symphony, Tchaikovsky's Symphony No 4, Strauss's *Also Sprach Zarathustra*, Brahms' Symphony No 2 and a Ravel in Spain programme
- CBSO debuts from talented artists such as conductors Cornelius Meister, Simone Young, Andrés Orozco-Estrada, Santtu-Matias Rouvali and soloists Sergio Tiempo, Yuri Minenko, Nareh Argamanyan, Stephen Gould and Anna Vinnitskaya
- Innovations such as a four-concert Film Music Festival in July, a 3D Rite of Spring with live dancer, and collaborations with US group Pink Martini and Midlands rockers The Enid
- Our 2020 project, which continued with music from the years 1911 and 1912 by Ravel, Stravinsky, Sibelius, Nielsen, Dukas, Elgar, Mahler, Rachmaninov, Debussy, Bartok and Butterworth

The orchestra also performed 31 other concerts in the United Kingdom, including summer festival performances at the BBC Proms and at the Brighton, Salisbury, Aldeburgh (twice), Harrogate, Lichfield and City of London Festivals, concerts in London, Cheltenham, Cardiff, Leeds, Sheffield, Nottingham, Oxford and Manchester, and a series of performances at other venues in the West Midlands region, including Hanley, Malvern, Dudley and Warwick Arts Centre

The Orchestra's made two major overseas tours with Andris Nelsons in 2011/12: an October visit to Turin, Zurich, Toulouse, Madrid (two concerts) and Barcelona with soloists Christian Tetzlaff and Håkan Hardenberger, and a 13-concert tour in March (our longest tour in 14 years) to Paris (two concerts), Luxembourg, Essen, Munich, Vienna (two concerts), Stuttgart, Frankfurt, Hamburg, Dortmund, Heidelberg and Baden-Baden with soloists Jonas Kaufmann, Rudolf Buchbinder and Anna Vinnitskaya. The first Paris concert consisted of a repeat performance of the previous weekend's *Tristan and Isolde*, at the Théâtre des Champs-Élysées

In addition, 12 concerts were broadcast on radio, one on TV, and 6 new recordings were made. Two of these were premiere recordings that spent time at the top of the classical charts: a disc featuring the music of Sir Anthony Hopkins, and the CD of Karl Jenkins's *The Peacemakers*, which featured our Youth Chorus

CBSO maintained its commitment to new music in the year. The Orchestra gave world or national premieres of pieces by Eric Whitacre, Marc-André Dalbavie, Sir Anthony Hopkins, Rolf Martinsson, Poul Ruders and

Rolf Wallin, and played major works by living composers Jonathan Dove, Helen Grime, H K Gruber, Thomas Ades, Nathaniel Stookey and Paul Patterson

Meanwhile CBSO continued its extensive learning and participation programme which engages annually with around 35,000 people across the West Midlands. At the centre of this work is, a young talent programme providing specialist training for gifted players and singers and, strong engagement with schools and communities. Highlights of the programme included

- three outstanding concerts by the CBSO Youth Orchestra and Academy, featuring a new commission from Ben Fosskett, and flagship performances from the Youth and Children's choruses, including an appearance at the BBC Proms as part of Havergal Brian's Gothic Symphony
- the culmination of our three year Boys Singing programme in July 2011 and a pre-concert performance by CBSO Young Voices of Birmingham on Broadway in February 2012
- the development of a new Orchestral Development Partnership with Birmingham Conservatoire, introducing pre-concert Showcases for the Conservatoire Orchestra and professional development sessions for students, alongside the long-standing Training Scheme
- the introduction of the Sparks programme with the 14 regional music services, a series of masterclasses by CBSO musicians for talented local players
- the introduction of a refreshed schools programme, Stay Tuned, to establish longer-term partnerships with schools and working intensively with 700 students
- a series of larger-scale projects that enabled teachers and children to explore creative learning, including Midsummer Night's Dream in Ladywood and Where the Wild Things Are in the city's special schools
- a Community Choir and Schools project in Selly Oak, our new adopted area for the City Council Arts Champion's scheme
- the expansion of the successful Notelets scheme into local nurseries and community centres, engaging with families and toddlers in disadvantaged areas of Birmingham

Financial Review

With a 7% increase in ticket income and extensive touring activity the financial performance showed a significant improvement on budgeted levels, achieving a net positive movement in funds before pension activities. Income was boosted by a one off VAT refund of £238,586 which helped to offset the ending of the Arts Council England's Sustain grant programme, which contributed £292,000 in the previous year.

The principal funding sources of the charity were grant income from Arts Council England of £2,168,416 and from Birmingham City Council of £1,450,000, sponsorship and donations of £634,150 received from trusts and from individual and corporate supporters, and earned income from charitable activities.

The restructure of the Fundraising team, which was completed in December 2010, delivered a 40% increase in core Sponsorship & Donation income. Education income, but not activity, was significantly reduced in the year following the culmination in 2010/11 of two national programmes, our SingUp Flagship and the DCSF-funded Banded About project.

A full analysis of expenditure on charitable activities is given in note 3. Total resources expended, before FRS17 pension liability changes, of £8.6m showed a small reduction against 2010/11.

Reserves

The trustees have reviewed the reserves of the charity, which are detailed in note 5 of the Financial Statements. Given the current public funding landscape the trustees remain committed to the maintenance of an appropriate level of reserves and see this as essential to the future performance of the charity.

At 31 March 2012 total reserves were £1,194,440 of which £3,434,075 were restricted and (£2,239,635) were unrestricted, comprised of an Accumulated Surplus of £880,365, a designated fund of £100,000 and a deficit of £3,220,000 on the Pension Reserve.

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 accordance with the business plan and the annual budget that is approved by the Board of the CBSO.

In order to meet these objectives the Trustees have appointed an investment adviser to manage its portfolio of cash and other suitable investments on an advisory basis. In the context of guidance issued by the Charities Commission, and following the appropriate assessments the Board of the CBSO has instructed that the charity's investments should be managed on a medium-low risk basis.

The proportions of the Charity's investments that are invested in cash, fixed income investments, structured investment products, and other collectivised investment vehicles is reviewed with the appointed investment adviser on a regular basis.

Public Funding and Going Concern

The charity is supported by grant-aiding bodies. Income from this source amounted to £3,618,416, representing 41% of the charity's income. Grants from Arts Council England are confirmed up to 31 March 2015 and after the 6.9% reduction in 2011/12 show a similar and then rising level for the three years thereafter. Grants from Birmingham City Council have been agreed in detail for 2011/12 and 2012/13 and in outline for 2013/14. These reflect a 9% decrease for 2011/12, 1.8% for 2012/13 with no further reduction anticipated in 2013/14.

In seeking to address these on-going cuts in its public funding the charity is working closely with both public funders from whom it continues to receive very positive support for its activities. Arts Council England is further supporting the charity, and a number of other Birmingham-based arts organisations, through its Thrive initiative, as it works to establish a more robust model for the delivery of its artistic programmes going forward. The charity is grateful for the support it receives from its public funders and works closely with both organisations to ensure that their funding objectives are met.

As the charity has positive reserves, a significant cash balance and the continued support of its major funders, the Trustees believe the charity would be able to absorb any reasonably foreseeable change to its public funding in the short to medium term and therefore considers the going concern basis to be appropriate for the preparation of these financial statements.

Plans for future periods

In March 2012 the trustees adopted a new Strategic Plan covering the period to 2015, which sets out the activities and responsibilities of the charity according to six key priorities, which the trustees monitor with reference to defined critical success factors. These six key priorities are artistic, educational, public benefit, reputational, organisational and financial.

The trustees have also committed in principle to building an endowment fund in the future, to provide long-term financial security for the charity. This will form part of a major gifts fundraising strategy focussed on the period leading up to the CBSO's Centenary in 2020.

The charity has agreed plans to repay the deficit in its Defined Benefit pension scheme (which was closed to future accrual in October 2010) over the next 24 years, and will also look to improve the benefits provided under its new Stakeholder scheme as the CBSO's finances permit, and in the light of changing legislation.

Despite the continuing financial challenges and reductions in public funding, the CBSO continues to plan an ambitious and exciting programme of work for future seasons, with a rich mixture of high quality programming in Birmingham, and prestigious touring engagements in the UK and overseas. Highlights in Birmingham in 2012-13 include a Beethoven cycle with Andris Nelsons, the CBSO's first such cycle in 15 years: all the composer's symphonies will be played by the CBSO, alongside performances of all Beethoven's solo works with orchestra, shared between CBSO and the Birmingham International Concert Series. Andris Nelsons will also be conducting performances of Shostakovich's Symphony No 10, Mahler's Resurrection Symphony, Bruckner's Symphony No 8 and a special concert with Bryn Terfel to celebrate the 21st birthday of Symphony Hall.

Andris Nelsons will also take the orchestra to the BBC Proms and Edinburgh Festival (our first visit there in 11 years), and on three overseas tours: in August to the Schloss Sanssouci, Potsdam, in August and September a prestigious four-concert residency at the Lucerne Festival with the CBSO Chorus, plus trips to the Rheingau, Mecklenburg-Vorpommern and Bonn Beethoven Festivals in Germany, and concerts in Dortmund and Eindhoven, and in October to Riga and Tallinn. In the UK he will conduct the 50th Anniversary performance of Britten's War Requiem in Coventry Cathedral in May, as well as concerts with the CBSO in Gateshead, Cardiff and at Warwick Arts Centre.

Other highlights include performances of Elgar's *The Dream of Gerontius* in Birmingham and at the Barbican in London with Principal Guest Conductor Edward Gardner in April, the opening of the London 2012 Festival with the UK premiere of Jonathan Harvey's *Weltethos* in June, followed two days later by the premiere of James MacMillan's Gloria in Coventry Cathedral (as part of the same festival). Edward Gardner will also conduct Britten's A Spring Symphony in January, as the first event in our celebration of the composer's centenary. The orchestra will celebrate the 60th birthday of composer/conductor Oliver Knussen with a Birmingham concert in June and also makes a visit that month to the Aldeburgh Festival. Our Friday Night series features a celebration of British Music to mark the Queen's Diamond Jubilee, and concerts devoted to Cartoon music, Burt Bacharach, Lerner & Loewe and Andrew Lloyd Webber.

In 2013, the CBSO will be taking Britten's *War Requiem* on tour to Paris, Dresden and Hannover, and will also be visiting Japan for the first time in over a decade. Another residency at the Lucerne Festival is planned for 2014, as are return visits to Paris, Vienna and Madrid. In 2014 the CBSO Chorus will reach its 40th birthday, which we will mark with a major new commission from James MacMillan, and the CBSO Youth Orchestra will be 10 years old.

In our learning and participation programme, we will be playing a leading role in the regional Music Education Hubs, formed in April 2012 as part of the new National Plan for Music Education.

Public Benefit

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

Our new Strategic Plan continues to champion public benefit as one of our key priorities and sets out appropriate strategies and activities to enable us to deliver against our objectives in this area

A key priority is increased participation in musical activities across Birmingham and the West Midlands, ensuring that everyone in the region has the opportunity to experience our work, regardless of age, background or financial means. This is also informed by the priorities of our main public funders, including Birmingham City Council, who encourage the development of cultural activity into every area of Birmingham and aim to increase young people's involvement in culture

We achieve this by

- offering substantial discounts on the price of concert tickets for families, students, and school children, as well as senior citizens, disabled people and those in receipt of benefits
- working with community groups to provide free tickets and transport for vulnerable people living in disadvantaged areas who would not otherwise be able to attend CBSO concerts
- broadcasting our performances for free on radio and online, in partnership with BBC Radio 3 and a new partnership with Classic FM established for the CBSO Film Music Festival in July 2011
- delivering a series of affordably-priced concerts specifically designed for families at Symphony Hall and for toddlers at CBSO Centre
- targeting our learning and participation activity at schools and communities where there are limited opportunities to get involved in cultural activity and where there are often multiple barriers to participation
- ensuring this participatory activity and our work with young musicians is free or heavily subsidised, to ensure all financial barriers are removed
- creating opportunities for people of all ages and backgrounds to perform in prestigious venues, often with the Orchestra, including regular events at Symphony Hall and performances at the BBC Proms

Trustee Liability Insurance

The charity holds Trustee Liability insurance on behalf of its Directors and Officers at a cost of £2,446 (2011 £2,692)

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 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.

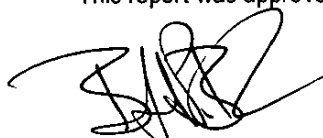
Statement as to disclosure of information to auditors

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 have 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 Baker Tilly UK Audit LLP be re-appointed as auditors to the charity for the ensuing year.

This report was approved by the trustees on 16 July 2012

A handwritten signature in black ink, appearing to be 'Bridget Blow', written over a horizontal line.

By order of the trustees
Bridget Blow (Chair)

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

We have audited the financial statements of City of Birmingham Symphony Orchestra for the year ended 31 March 2012, on pages 11 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

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 2012 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 Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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:

- the charitable company has not kept adequate accounting records, 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

Baker Tilly UK Audit LLP

MICHAEL HUGGINS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

St Philips Point

Temple Row

Birmingham

B2 5AF

City of Birmingham Symphony Orchestra

Company No

01262018

Statement of Financial Activities including an Income and Expenditure Account and a Statement of Total Recognised Gains and Losses
for the year ended 31 March 2012

| Notes | 2012 Unrestricted Funds £ | 2012 Restricted Funds £ | 2012 Total Funds £ | 2011 Total Funds £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | |
| Incoming Resources from Generated Funds | | | | |
| Sponsorship and Donations | 449,919 | 184,231 | 634,150 | 454,108 |
| Investment Income Interest Received | 13,119 | | 13,119 | 24,518 |
| Grant Income | | | | |
| Arts Council England - Grant | 2,168,416 | | 2,168,416 | 2,329,126 |
| Birmingham City Council - Grant | 1,450,000 | | 1,450,000 | 1,596,374 |
| Other Grants | | 55,689 | 55,689 | 292,000 |
| Sub Total | 4,081,454 | 239,920 | 4,321,374 | 4,696,126 |
| Incoming Resources from Chantable Activities | | | | |
| Birmingham Concerts and other UK Promotions | 2,258,673 | | 2,258,673 | 2,103,995 |
| Engagements United Kingdom | 558,249 | | 558,249 | 480,577 |
| Engagements Abroad | 1,059,578 | | 1,059,578 | 813,430 |
| Broadcasting and Recording Income | 81,745 | | 81,745 | 109,750 |
| Education Income | 29,585 | 57,022 | 86,607 | 314,421 |
| Chorus Income | 106,785 | | 106,785 | 150,929 |
| CBSO Centre Income | 76,885 | | 76,885 | 81,321 |
| Sundry Receipts | 364 | | 364 | 1,817 |
| Disposal of Fixed Assets | 1,000 | | 1,000 | - |
| VAT Refund | 238,586 | | 238,586 | - |
| Sub Total | 4,411,450 | 57,022 | 4,468,472 | 4,056,240 |
| TOTAL INCOMING RESOURCES | 8,492,904 | 296,942 | 8,789,846 | 8,752,366 |
| RESOURCES EXPENDED | | | | |
| Costs of Generating Funds | | | | |
| Fundraising and Marketing Costs | 2 | 694,485 | 694,485 | 721,221 |
| Costs of Chantable Activities | | | | |
| Birmingham Concerts and other UK Promotions | | 4,806,871 | 4,806,871 | 4,696,420 |
| Engagements United Kingdom | | 865,716 | 865,716 | 989,369 |
| Engagements Abroad | | 1,509,752 | 1,509,752 | 1,341,906 |
| Broadcasting and Recording | | 44,617 | 44,617 | 72,129 |
| Education | | 18,544 | 241,253 | 388,682 |
| Chorus | | 200,108 | 200,108 | 281,609 |
| CBSO Centre | | 107,051 | 107,051 | 139,941 |
| Other | | 878 | 878 | 2,325 |
| Total Costs of Chantable Activities | 3 | 7,553,537 | 241,253 | 7,794,790 |
| Governance Costs | 4 | 153,491 | 153,491 | 213,121 |
| Pension Finance | 14 | (18,000) | (18,000) | (12,000) |
| TOTAL RESOURCES EXPENDED | | 8,383,513 | 241,253 | 8,624,766 |
| NET INCOME / (EXPENDITURE) FOR THE YEAR | | 109,391 | 55,689 | 165,080 |
| GROSS TRANSFERS BETWEEN FUNDS | 5 | 143,433 | (143,433) | - |
| NET INCOMING /(OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS & LOSSES | | 252,824 | (87,744) | 165,080 |
| ACTUARIAL (LOSSES) / GAINS ON DEFINED BENEFIT PENSION SCHEME | 14 | (1,216,000) | (1,216,000) | 70,000 |
| NET MOVEMENT OF FUNDS IN YEAR | | (963,176) | (87,744) | (1,050,920) |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward as reported | 5 | (1,276,459) | 3,521,819 | 2,245,360 |
| TOTAL FUNDS CARRIED FORWARD | 5 | (2,239,635) | 3,434,075 | 1,194,440 |

All incoming resources and resources expended derive from continuing activities. All gains and losses recognised in the year are included above.

City of Birmingham Symphony Orchestra
Balance Sheet as at 31 March 2012

| | Notes | 2012 £ | 2012 £ | 2011 £ | 2011 £ |
|---|-------|--------------------|------------------|--------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible Assets | 9 | | 3,301,448 | | 3,377,276 |
| CURRENT ASSETS | | | | | |
| Stock and Work in Progress | 10 | 34,976 | | 17,584 | |
| Debtors | 11 | 1,324,671 | | 813,622 | |
| Investments | 12 | 191,850 | | 0 | |
| Short Term Deposits | | 509,113 | | 919,137 | |
| Cash and Bank Balances | | 821,324 | | 698,604 | |
| | | <u>2,881,934</u> | | <u>2,448,947</u> | |
| CREDITORS- | | | | | |
| Amounts falling due within one year | 13 | <u>(1,768,942)</u> | | <u>(1,368,863)</u> | |
| NET CURRENT ASSETS | | | <u>1,112,992</u> | | <u>1,080,084</u> |
| NET ASSETS EXCLUDING PENSION LIABILITY | | | 4,414,440 | | 4,457,360 |
| DEFINED BENEFIT PENSION SCHEME LIABILITY | 14 | | (3,220,000) | | (2,212,000) |
| NET ASSETS INCLUDING PENSION LIABILITY | | | <u>1,194,440</u> | | <u>2,245,360</u> |
| REPRESENTED BY CHARITABLE FUNDS | | | | | |
| Restricted Funds | | | | | |
| CBSO Centre Reserve | 5 | 3,177,293 | | 3,226,747 | |
| Capital Equipment Reserve | 5 | 87,338 | | 56,515 | |
| Friends of the Players Reserve | 5 | 150 | | 1,656 | |
| Youth Orchestra Reserve | 5 | 109,294 | | 116,901 | |
| Foyle Trust Reserve | 5 | <u>60,000</u> | | <u>120,000</u> | |
| | | | 3,434,075 | | 3,521,819 |
| Unrestricted Funds | | | | | |
| Accumulated Surplus | 5 | 880,365 | | 935,541 | |
| Designated Fund | 5 | <u>100,000</u> | | <u>0</u> | |
| Unrestricted Funds excluding Pension Reserve | | 980,365 | | 935,541 | |
| Pension Reserve | 5 | <u>(3,220,000)</u> | | <u>(2,212,000)</u> | |
| | | | (2,239,635) | | (1,276,459) |
| TOTAL FUNDS | 5 | | <u>1,194,440</u> | | <u>2,245,360</u> |

Bridget Blow, Clive Bawden

Trustees

Approved by the trustees and authorised for issue on 16 July 2012




City of Birmingham Symphony Orchestra
Cash Flow Statement for the year ended 31 March 2012

| | 2012 £ | 2011 £ |
|---|------------------|------------------|
| Net cash flow from operating activities | (50,237) | (143,221) |
| Return on investments | 21,269 | 24,518 |
| Capital expenditure | (58,336) | (2,611) |
| Management of Liquid Funds | | |
| Purchase of Investments | (200,000) | 0 |
| Movement in Short Term Deposits | 410,024 | 403,462 |
| Increase in Cash | <u>122,720</u> | <u>282,148</u> |
| Reconciliation of net cash flow to movement in Net Funds | | |
| Increase in Cash | 122,720 | 282,148 |
| Movement in Investments | 191,850 | 0 |
| Movement in short term deposits | (410,024) | (403,462) |
| Movement in Net Funds | (95,454) | (121,314) |
| Net Funds at 1 April 2011 | 1,617,741 | 1,739,055 |
| Net Funds at 31 March 2012 | <u>1,522,287</u> | <u>1,617,741</u> |

Notes to the Cash Flow Statement

a) Net cash flow from operating activities

| | | |
|--|-----------------|------------------|
| Net outgoing resources before interest and market value movement | (1,063,039) | (36,875) |
| Depreciation | 134,164 | 136,130 |
| (Profit)/ Loss on Sale of Fixed Assets | (1,000) | 2,285 |
| (Increase) / Decrease in debtors | (511,049) | 148,337 |
| (Increase) / Decrease in stocks | (17,392) | 9,574 |
| Increase / (Decrease) in creditors | 400,079 | (357,672) |
| Increase / (Decrease) in pension provision | 1,008,000 | (45,000) |
| | <u>(50,237)</u> | <u>(143,221)</u> |

b) Return on investments

| | | |
|-------------------------------|---------------|---------------|
| Interest receivable | 21,269 | 24,518 |
| Unrealised loss on investment | (8,150) | |
| | <u>13,119</u> | <u>24,518</u> |

c) Capital expenditure

| | | |
|---|-----------------|----------------|
| Payments to acquire tangible fixed assets | <u>(58,336)</u> | <u>(2,611)</u> |
|---|-----------------|----------------|

d) Analysis of changes in net funds

| | At 1 April 2011 £ | Cash flow £ | Non- cash Movement £ | At 31 March 2012 £ |
|---------------------|----------------------|-----------------|----------------------------|--------------------------|
| Investments | 0 | 200,000 | (8,150) | 191,850 |
| Short Term Deposits | 919,137 | (410,024) | 0 | 509,113 |
| Cash | 698,604 | 122,720 | 0 | 821,324 |
| | <u>1,617,741</u> | <u>(87,304)</u> | <u>(8,150)</u> | <u>1,522,287</u> |

1 ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005, the going concern basis (see page 6), applicable UK Accounting Standards and the Companies Act 2006

FIXED ASSETS AND DEPRECIATION

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life as follows

- Instrument Van 7 years
- Other Motor Vehicles 4 years
- Musical Instruments 10 years
- Computer Equipment 3 years
- Long Term Leasehold Property 50 years
- Works of Art 10 years
- Technical equipment 5 years

In line with the company's capitalisation policy, assets purchased with a value of less than £1,000 are written off in full in the year of purchase

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable. All tangible assets are held for use by the charity

STOCKS AND WORK IN PROGRESS

Stocks, consisting of recordings and promotional items, are stated at the lower of cost and net realisable value. Cost is defined as purchases on a first in first out basis

Work in progress, consisting of expenditure on CD recordings not yet released, is stated at cost

TAXATION

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

INCOMING RESOURCES

Incoming resources are stated net of value added tax and represent amounts invoiced to third parties and amounts receivable from members and donors. Income relating to concert performances is credited to the income account when the concert has been performed. Gift aid donations are inclusive of recoverable income tax. Income from legacies is credited to the income account when the charity is legally entitled to the income, and the amount can be quantified with reasonable accuracy

GRANTS RECEIVABLE

Grants of a revenue nature are credited to income in the period to which they relate. Grants of a capital nature are credited to a restricted fund account and reduced over the useful economic life of the asset in line with depreciation

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis, and has been classified under headings that aggregate all costs related to that category

Costs of Generating Funds are Fundraising and Marketing costs, which are incurred in raising funds for the charity and marketing its activities

Costs of Chantable Activities include expenditure on the maintenance of the orchestra, staging concerts, broadcasting and recording activities, education and chorus activities and activities at the CBSO Centre. They include both the direct and support costs related to those activities. Orchestra costs have been allocated on the basis of the number of working days relating to each activity. Governance costs represent those costs incurred in the governance of the charity and its assets and include Company Secretarial and Board expenses, audit, legal and professional charges. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Staff costs have been allocated by time spent and other costs by their usage.

LIABILITIES

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

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

All resources expended are classified under activity headings that aggregate all costs related to that category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

FUNDS

General funds are unrestricted funds which 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.

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

Designated funds are unrestricted funds which have been designated for specific purposes by the trustees.

PENSIONS

Following the adoption of FRS 17, the regular service cost of providing retirement benefits to employees during the year is charged to costs of chantable activities in the year. A charge within pension finance costs represents the expected increase in the liabilities of the retirement benefit scheme during the year. This arises from the liabilities of the scheme being one year closer to payment. This is netted off by a credit representing the expected return on the assets of the retirement benefit scheme during the year. This is based on the market value of the assets of the scheme at the start of the financial year. The difference between the market value of assets and the present value of accrued pension liabilities is shown as an asset or liability in the balance sheet. Differences between actual and expected returns on assets during the year are recognised in the statement of total recognised gains and losses in the year (incorporated into the statement of financial activities), together with differences arising from changes in assumptions.

LIQUID RESOURCES

Liquid resources comprise current asset investments and short term deposits that can be readily converted into cash.

SHORT TERM DEPOSITS

In prior years short term deposits were classified within cash at bank and in hand. The comparatives have been restated as it is considered that classification as short term deposits better represents the nature of these items.

City of Birmingham Symphony Orchestra
Notes to the Accounts - 31 March 2012

2 COSTS OF GENERATING FUNDS

| | Notes | 2012 £ | 2011 £ |
|--|--------------|-------------------------|-------------------------|
| Concert marketing and advertising | | 291,432 | 324,255 |
| Fundraising expenses | | <u>39,030</u> | <u>39,654</u> |
| Total Direct costs | | 330,462 | 363,909 |
| Support Costs | 4 | 364,023 | 357,312 |
| Total Costs of Generating Funds | | <u><u>694,485</u></u> | <u><u>721,221</u></u> |

City of Birmingham Symphony Orchestra
Notes to the Accounts - 31 March 2012

3 COSTS OF CHARITABLE ACTIVITIES

Costs of Production & Performance

| | Note | Birmingham Concerts | Engagements UK | Engagements Abroad | Broadcasting & Recording | Education | Chorus | CBSO Centre | Other Activities | 2012 Total | 2011 Total |
|---------------------------------------|------|------------------------|-------------------|-----------------------|-----------------------------|-----------|----------|----------------|---------------------|------------------|------------------|
| Maintenance of Orchestra | | | | | | | | | | | |
| Basic Salaries | | 1,854,142 | 373,317 | 286,210 | 0 | 0 | 0 | 0 | 0 | 2,513,669 | 2,519,726 |
| Other Salaries | | 61,667 | 12,416 | 9,519 | 0 | 0 | 0 | 0 | 0 | 83,602 | 74,223 |
| Orchestra Staff Salaries | | 91,265 | 18,376 | 14,088 | 0 | 0 | 0 | 0 | 0 | 123,729 | 121,316 |
| Extra Players | | 588,950 | 118,581 | 90,912 | 0 | 0 | 0 | 0 | 0 | 798,443 | 818,886 |
| National Insurance | | 196,778 | 39,620 | 30,375 | 0 | 0 | 0 | 0 | 0 | 266,773 | 241,332 |
| Pensions | | 86,701 | 17,457 | 13,383 | 0 | 0 | 0 | 0 | 0 | 117,541 | 301,715 |
| Permanent Disability Insurance | | 19,361 | 3,898 | 2,989 | 0 | 0 | 0 | 0 | 0 | 26,248 | 25,097 |
| Players Instrument Insurance | | 14,105 | 2,840 | 2,177 | 0 | 0 | 0 | 0 | 0 | 19,122 | 20,142 |
| Total Maintenance of Orchestra | | 2,912,969 | 586,505 | 449,653 | - | - | - | - | - | 3,949,127 | 4,122,437 |

Concert Expenses

| | | | | | | | | | | | |
|------------------------------------|--|------------------|----------------|----------------|---------------|----------------|---------------|----------|------------|------------------|------------------|
| Artists Fees | | 736,972 | 148,384 | 0 | 0 | 0 | 0 | 0 | 0 | 885,356 | 744,854 |
| Travelling & Subsistence | | 55,036 | 11,081 | 0 | 0 | 0 | 0 | 0 | 0 | 66,117 | 74,609 |
| Expenditure Abroad | | 0 | 0 | 897,397 | 0 | 0 | 0 | 0 | 0 | 897,397 | 704,311 |
| Hire of Halls & Rehearsal Expenses | | 405,790 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 405,790 | 351,897 |
| Chorus | | 0 | 0 | 0 | 0 | 0 | 88,338 | 0 | 0 | 88,338 | 157,018 |
| Box Office Commission | | 205,705 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 205,705 | 214,821 |
| Merchandise for Resale | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 841 | 841 | 2,102 |
| Library Music & Instruments | | 72,204 | 14,538 | 11,146 | 0 | 0 | 0 | 0 | 0 | 97,888 | 99,806 |
| Instrument Van Expenses | | 11,387 | 2,293 | 1,758 | 0 | 0 | 0 | 0 | 0 | 15,438 | 16,750 |
| Education | | 0 | 0 | 0 | 0 | 150,494 | 0 | 0 | 0 | 150,494 | 236,606 |
| Media Expenses | | 0 | 0 | 0 | 17,685 | 0 | 0 | 0 | 0 | 17,685 | 38,686 |
| Other Expenses | | 7,481 | 1,506 | 1,155 | 0 | 0 | 0 | 0 | 0 | 10,142 | 13,900 |
| Total Concert Expenses | | 1,494,575 | 177,802 | 911,456 | 17,685 | 150,494 | 88,338 | - | 841 | 2,941,191 | 2,655,360 |

Total Costs of Production and Performance

| | | | | | | | | | | | |
|--|--|------------------|----------------|------------------|---------------|----------------|---------------|----------|------------|------------------|------------------|
| | | 4,407,544 | 764,307 | 1,361,109 | 17,685 | 150,494 | 88,338 | - | 841 | 6,790,318 | 6,777,797 |
|--|--|------------------|----------------|------------------|---------------|----------------|---------------|----------|------------|------------------|------------------|

Support Costs

| | | | | | | | | | | | |
|--|---|---------|---------|---------|--------|---------|---------|---------|----|-----------|-----------|
| | 4 | 399,327 | 101,409 | 148,643 | 26,932 | 109,303 | 111,770 | 107,051 | 37 | 1,004,472 | 1,134,584 |
|--|---|---------|---------|---------|--------|---------|---------|---------|----|-----------|-----------|

Total Costs of Charitable Activities

| | | | | | | | | | | | |
|--|--|------------------|----------------|------------------|---------------|----------------|----------------|----------------|------------|------------------|------------------|
| | | 4,806,871 | 865,716 | 1,509,752 | 44,617 | 259,797 | 200,108 | 107,051 | 878 | 7,794,790 | 7,912,381 |
|--|--|------------------|----------------|------------------|---------------|----------------|----------------|----------------|------------|------------------|------------------|

City of Birmingham Symphony Orchestra
Notes to the Accounts - 31 March 2012

4 SUPPORT COSTS

Support costs are allocated as follows

| | Birmingham Concerts | Engagements UK | Engagements Abroad | Broadcasting & Recording | Education | Chorus | CBSO Centre | Other Activities | Generating Funds | Governance | 2012 Total | 2011 Total |
|--------------------------------------|------------------------|-------------------|-----------------------|-----------------------------|----------------|----------------|----------------|---------------------|---------------------|----------------|------------------|------------------|
| Salaries | 146,065 | 38,497 | 34,347 | 16,310 | 88,631 | 88,965 | 87,532 | 0 | 272,690 | 57,967 | 831,004 | 857,631 |
| National Insurance | 13,928 | 3,671 | 3,275 | 1,555 | 8,452 | 8,483 | 8,347 | 0 | 26,003 | 5,528 | 79,242 | 83,210 |
| Pensions | 3,780 | 996 | 888 | 422 | 2,293 | 2,302 | 2,264 | 0 | 7,056 | 1,500 | 21,501 | 61,793 |
| Permanent disability Insurance | 1,574 | 415 | 370 | 176 | 955 | 959 | 943 | 0 | 2,939 | 625 | 8,956 | 8,429 |
| Rent, Rates & Service Charge | 37,560 | 9,283 | 17,620 | 1,359 | 1,440 | 1,776 | 1,279 | 6 | 8,883 | 0 | 79,206 | 93,253 |
| Maintenance of buildings & equipment | 48,506 | 11,989 | 22,755 | 1,756 | 1,860 | 2,293 | 1,651 | 8 | 11,471 | 0 | 102,289 | 97,500 |
| Stationery, postage & telephone | 20,680 | 5,111 | 9,701 | 748 | 793 | 978 | 704 | 3 | 4,891 | 0 | 43,609 | 46,317 |
| Insurance | 14,773 | 3,651 | 6,930 | 535 | 566 | 698 | 503 | 2 | 3,494 | 0 | 31,152 | 37,267 |
| Professional charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 87,871 | 87,871 | 142,023 |
| Motor & travelling expenses | 7,198 | 1,779 | 3,377 | 260 | 276 | 340 | 245 | 1 | 1,702 | 0 | 15,178 | 16,769 |
| Finance & credit card charges | 3,055 | 755 | 1,433 | 111 | 117 | 144 | 104 | 0 | 723 | 0 | 6,442 | 5,660 |
| Depreciation | 63,622 | 15,725 | 29,846 | 2,303 | 2,440 | 3,008 | 2,166 | 10 | 15,046 | 0 | 134,166 | 136,130 |
| Loss on Sale of Fixed Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,284 |
| General Expenses | 28,648 | 7,081 | 13,439 | 1,037 | 1,099 | 1,354 | 975 | 5 | 6,775 | 0 | 60,413 | 92,895 |
| CBSO Centre | 9,938 | 2,456 | 4,662 | 360 | 381 | 470 | 338 | 2 | 2,350 | 0 | 20,957 | 23,856 |
| Total Support Costs | 399,327 | 101,409 | 148,643 | 26,932 | 109,303 | 111,770 | 107,051 | 37 | 364,023 | 153,491 | 1,521,986 | 1,705,017 |

City of Birmingham Symphony Orchestra
Notes to the Accounts - 31 March 2012

5 RESERVES

| | Restricted CBSO Centre Reserve | Restricted Friends of the Players Reserve | Restricted Youth Orchestra Reserve | Restricted Capital Equipment Reserve | Restricted Foyle Trust Reserve | Unrestricted Accumulated Surplus | Unrestricted Designated Fund | Unrestricted Pension Reserve | Total Reserves |
|----------------------------------|---|--|---|---|--------------------------------------|--|------------------------------------|------------------------------------|-------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Balances as at 31 March 2011 | 3 226 747 | 1,656 | 116 901 | 58 515 | 120 000 | 935 541 | 0 | (2 212,000) | 2 245,360 |
| Total incoming resources | | | | 55 689 | | 8 616 157 | 100,000 | 18 000 | 8 789 846 |
| Total resources expended | (49 454) | (1 506) | (7 607) | (24 868) | (60 000) | (8 671 333) | 0 | 190 000 | (8 624 766) |
| Actuarial loss on pension scheme | | | | | | | | (1 216 000) | (1 216 000) |
| Balances as at 31 March 2012 | <u>3 177 293</u> | <u>150</u> | <u>109 294</u> | <u>87 338</u> | <u>60 000</u> | <u>880 365</u> | <u>100 000</u> | <u>(3 220 000)</u> | <u>1 194 440</u> |

The CBSO Centre Reserve comprises amounts received by grant and used to fund the building of the CBSO Centre. In accordance with applicable accounting standards the grant being a deferred capital grant is being reduced over the useful life of the asset in line with its depreciation.

The Friends of the Players Reserve comprises funds donated by the Friends of the CBSO Players to be used for specified educational and outreach work. A total of £1 506 was spent on such work in the year.

The Youth Orchestra Reserve comprises funds donated by the Midlands Youth Orchestra and a subsequent legacy to be used in support of the activities of the CBSO Youth Orchestra.

The Capital Equipment Reserve comprises amounts received by grant and donation to fund the purchase of fixed assets. A further grant was received during the year from Arts Council England's Thrive programme. In accordance with applicable accounting standards these monies being deferred capital grants are being reduced over the useful life of the assets in line with their depreciation.

The Foyle Trust Reserve comprises amounts donated by the Foyle Trust to be used in support of the CBSO's work with disadvantaged people.

A legacy of £100 000 confirmed during the year has been placed in a designated fund to be used for Endowment purposes should the Charity be successful in its Catalyst funding application in FY 2012/13.

The analysis of net assets between funds is as follows:

| | Restricted Funds | Unrestricted Funds | Total Funds |
|----------------------------------|---------------------|-----------------------|------------------|
| | £ | £ | £ |
| Tangible fixed assets | 3 264 631 | 36 817 | 3 301 448 |
| Other net assets/ (liabilities) | 169 444 | (2 276 452) | (2 107 008) |
| Total net assets / (liabilities) | <u>3 434 075</u> | <u>(2 239 635)</u> | <u>1 194 440</u> |

The following transfers were made in the year from Restricted Funds to Accumulated Surplus:

| | |
|---|------------------|
| Transfer from CBSO Centre Reserve to match depreciation on the assets | (49 454) |
| Transfer from Friends of the Players Reserve as a contribution to expenditure on education activity | (1 506) |
| Transfer from Youth Orchestra Reserve as a contribution to expenditure on the Youth Orchestra | (7 607) |
| Transfer from Capital Equipment Reserve to match depreciation on the assets | (24 866) |
| Transfer from Foyle Trust Reserve as a Contribution Expenditure on work with disadvantaged people | (60 000) |
| Total transfers to Accumulated Surplus | <u>(143 433)</u> |

6 AUDITORS' REMUNERATION

The auditors' remuneration for the year of £10 400 (2011: £10 300) related solely to the audit, with additional taxation work undertaken in 2012 of £8 875 (2011 of £1 400).

7 EMPLOYMENT COSTS

| | 2012 | 2011 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and Salaries | 3 552 004 | 3 572,896 |
| Social Security Costs | 346 015 | 324 542 |
| Other Pension Costs | 139 042 | 363 508 |
| | <u>4 037 061</u> | <u>4 260 946</u> |

The average weekly number of staff was 109 (2011: 115) made up as follows:

| | No. | No. |
|-----------------------|------------|------------|
| Office and Management | 35 | 38 |
| Orchestra | <u>74</u> | <u>77</u> |
| | <u>109</u> | <u>115</u> |

The number of employees whose emoluments amounted to over £60 000 in the year was as follows:

| | | |
|--------------------|---|---|
| £80 001 to £90,000 | 1 | 1 |
|--------------------|---|---|

Pension benefits are provided in accordance with the charity's Stakeholder pension arrangements.

8 EMOLUMENTS OF BOARD OF TRUSTEES

Members of the Board of Trustees donate their services to the Company and accordingly no remuneration is paid. No expenses have been paid to Trustees in the year. A Trustee Indemnity Insurance premium of £2 446 was paid in the year (2011: £2 692).

City of Birmingham Symphony Orchestra
Notes to the Accounts - 31 March 2012

9 TANGIBLE ASSETS

| | Long Term Leasehold Property £ | Technical & Stage Equipment £ | Works of Art £ | Computer Equipment £ | Motor Vehicles £ | Musical Equipment £ | TOTAL £ |
|-----------------------|---|--|----------------------|----------------------------|------------------------|---------------------------|------------------|
| Cost | | | | | | | |
| At 1 April 2011 | 4 371,534 | 176,966 | 51,398 | 68 531 | 131 295 | 260 514 | 5 060 238 |
| Additions | 0 | 55,689 | 0 | 2,647 | 0 | 0 | 58,336 |
| Disposals | 0 | (7,000) | 0 | 0 | 0 | 0 | (7 000) |
| At 31 March 2012 | <u>4 371 534</u> | <u>225,655</u> | <u>51,398</u> | <u>71,178</u> | <u>131,295</u> | <u>260 514</u> | <u>5,111 574</u> |
| Depreciation | | | | | | | |
| At 1 April 2011 | 1,106,809 | 161,058 | 51,398 | 63 555 | 79 583 | 220,559 | 1,682 962 |
| Charge for the year | 87,431 | 17,149 | 0 | 4 731 | 17 720 | 7,133 | 134,164 |
| Disposals | 0 | (7,000) | 0 | 0 | 0 | 0 | (7 000) |
| At 31 March 2012 | <u>1 194 240</u> | <u>171,207</u> | <u>51 398</u> | <u>68,286</u> | <u>97,303</u> | <u>227 692</u> | <u>1,810 126</u> |
| Net Book Value | | | | | | | |
| At 31 March 2012 | <u>3 177 294</u> | <u>54,448</u> | <u>0</u> | <u>2,892</u> | <u>33,992</u> | <u>32 822</u> | <u>3 301,448</u> |
| At 31 March 2011 | <u>3,264,725</u> | <u>15 908</u> | <u>0</u> | <u>4,976</u> | <u>51 712</u> | <u>39,955</u> | <u>3 377,276</u> |

10 STOCK AND WORK IN PROGRESS

| | 2012 £ | 2011 £ |
|------------------|---------------|---------------|
| Stock | 3,427 | 5 274 |
| Work in Progress | <u>31,549</u> | <u>12 310</u> |
| | <u>34,976</u> | <u>17,584</u> |

11 DEBTORS

| | 2012 £ | 2011 £ |
|------------------------------|------------------|----------------|
| Trade Debtors | 138,096 | 159 574 |
| Other Debtors | 124,616 | 48 256 |
| Prepayments & Accrued Income | <u>1,061,959</u> | <u>605 792</u> |
| | <u>1 324 671</u> | <u>813,622</u> |

12 INVESTMENTS

| | 2012 £ | 2011 £ |
|----------------------------------|----------------|-----------|
| Market value at 1 April 2011 | 0 | 0 |
| Additions to investments at cost | 200 000 | 0 |
| Net loss on revaluation | <u>(8,150)</u> | <u>0</u> |
| Market value at 31 March 2012 | <u>191 850</u> | <u>0</u> |

Investments acquired during the year comprise two Loan notes at a purchase cost of £100,000 each

These Notes are held for 2 and 3 year terms respectively and are valued at their current market value. The purchase of these notes is in line with the Charity's investment policy which looks to enhance the overall return on its assets.

13 CREDITORS

| Amounts falling due within one year | 2012 £ | 2011 £ |
|-------------------------------------|------------------|------------------|
| Trade Creditors | 1,020,962 | 650 166 |
| Other taxation & social security | 19,754 | 134,576 |
| Accruals & Deferred Income | <u>728 226</u> | <u>584,121</u> |
| | <u>1 768 942</u> | <u>1,368,863</u> |

Deferred Income

| | 2012 £ | 2011 £ |
|---|------------------|------------------|
| At 1 April 2011 | 230 096 | 402,401 |
| Additional Income Deferred | 318,699 | 230,096 |
| Released to Statement of Financial Activities | <u>(230,096)</u> | <u>(402 401)</u> |
| At 31 March 2012 | <u>318 699</u> | <u>230 096</u> |

Deferred Income consists of ticket income for future Birmingham concerts and other earned income received in advance.

Included within creditors is £22 896 (2011: £3,116) of unpaid company pension contributions. This was paid across to the CBSO Pension Scheme in April 2012 in accordance with permitted timescales.

City of Birmingham Symphony Orchestra
Notes to the Accounts 31 March 2012

14 PENSIONS

The charity's defined benefit plan was closed to future accrual on 30 September 2010

An approximate actuarial valuation of the Scheme was carried out by a qualified independent actuary as at 31 March 2012

The major financial assumptions used by the actuary were

| | 31 March 2012 | 31 March 2011 |
|---|---------------|---------------|
| Discount rate (% p a) | 4.70% | 5.50% |
| Salary increase rate (% p a) | 2.80% | 3.50% |
| Rate of revaluation in deferment (% p a) | 2.00% | 2.60% |
| Pension increase rate (% p a) | | |
| - RPI capped at 5% p a | 2.80% | 3.25% |
| - RPI capped at 3% p a | 2.40% | 2.50% |
| - RPI capped at 2.5% p a | 2.20% | 2.20% |
| - CPI capped at 2.5% p a | 2.00% | 2.15% |
| Price inflation rate (% p a) | 2.80% | 3.50% |
| Consumer inflation rate (% p a) | 2.00% | 2.60% |
| Expected return on Scheme assets (% p a) | 5.80% | 6.37% |

The overall expected rate of return on assets is the actuaries' best estimate of returns expected over the period from dividends, interest and capital gains

| | 31 March 2012 | 31 March 2011 |
|---------------------------------|---------------|---------------|
| Life expectancy at age 65 | | |
| Current Pensioners -Men | 21.11 | 21.11 |
| Current Pensioners -Women | 23.74 | 23.74 |
| Future Pensioners now 40 -Men | 23.48 | 23.48 |
| Future Pensioners now 40 -Women | 26.08 | 26.08 |

The fair value of the assets of the Scheme and the expected rates of return were

| | 31 March 2012 | | 31 March 2011 | |
|-------------------------------|----------------|-------|----------------|-------|
| | Expected | £000 | Expected | £000 |
| | Rate of Return | | Rate of Return | |
| Equities | 7.20% | 7,688 | 7.45% | 7,289 |
| Property | 7.20% | 2,269 | 7.45% | 2,177 |
| Bonds - UK index linked gilts | 2.70% | 1,670 | 4.20% | 1,791 |
| Bonds - Corporate | 4.20% | 4,702 | 5.00% | 4,377 |
| Insurance Policies | 2.70% | 220 | 5.00% | 220 |
| Cash | 1.20% | 86 | 1.20% | 73 |

| | 31 March 2012 | 31 March 2011 |
|-------------------------------------|----------------|----------------|
| | £000 | £000 |
| Fair Value of Scheme Assets | 16,635 | 15,927 |
| Present value of Scheme liabilities | (19,855) | (18,139) |
| Deficit in Scheme | (3,220) | (2,212) |

In addition, the Trustees held insured annuities. The value of these annuities has been included in both the assets and the liabilities since the liability is matched directly by an asset of equal value.

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

The employee's best estimate of company contributions to be paid in respect of the Scheme during the financial year ending 31 March 2013 is £284,000.

FRS 17 requires the projected unit method to be used to determine liabilities.

Amount charged to Statement of Financial Activities

| | 31 March 2012 | 31 March 2011 |
|---|---------------|---------------|
| | £000 | £000 |
| Current Service Cost | 62 | 248 |
| Interest on Scheme liabilities | 984 | 955 |
| Curtailments | 0 | 115 |
| Expected return on Scheme assets | (1,002) | (967) |
| Total Expense | 44 | 351 |
| Actual Return on Scheme Assets | 930 | 1,145 |
| Changes in present value of the defined benefit obligation | | |
| At beginning of period | 18,139 | 17,229 |
| Current Service Cost | 62 | 248 |
| Employee contributions | 0 | 150 |
| Interest cost | 984 | 955 |
| Actuarial losses | 1,144 | 108 |
| Curtailments | 0 | 115 |
| Benefits paid | (474) | (666) |
| At end of period | 19,855 | 18,139 |

14 PENSIONS (continued)

Changes in fair value of the Scheme assets

| | | |
|---------------------------|--------|--------|
| At beginning of period | 15,927 | 14,972 |
| Expected return on assets | 1,002 | 967 |
| Employer contributions | 252 | 326 |
| Employee contributions | 0 | 150 |
| Actuarial gains | (72) | 178 |
| Benefits paid | (474) | (668) |
| At end of period | 16,635 | 15,927 |

Recognition in the STRGL

| | | |
|--|---------|-------|
| Actual return less expected return on Scheme assets | (72) | 178 |
| Experience gains & losses arising on Scheme liabilities | (75) | (544) |
| Change in assumptions underlying present value of Scheme liabilities | (1,069) | 436 |
| Net actuarial (losses) / gains recognised in the period | (1,216) | 70 |

History of experience gains and losses

| | 2012 £000 | 2011 £000 | 2010 £000 | 2009 £000 | 2008 £000 |
|--|--------------|--------------|--------------|--------------|--------------|
| Experience arising on Scheme liabilities | | | | | |
| Amount | (75) | (544) | 507 | (90) | 322 |
| % of present value of funded obligations | (0.1%) | (3.0%) | 2.9% | (0.7%) | 2.5% |
| Experience arising on Scheme assets | | | | | |
| Amount | (72) | 178 | 1,986 | (1,044) | (515) |
| % of scheme assets | (0.4%) | 1.1% | 13.3% | (8.5%) | (4.1%) |
| Total amount recognised in Statement of Total Recognised Gains & Losses | | | | | |
| Amount | (1,216) | 70 | (1,203) | (549) | 1,844 |
| % of present value of funded obligations | (6.1%) | 0.4% | (7.0%) | (4.2%) | 14.2% |
| Present value of Scheme liabilities | (19,855) | (18,139) | (17,229) | (13,186) | (12,993) |
| Fair value of Scheme assets | 16,635 | 15,927 | 14,972 | 12,297 | 12,682 |
| Deficit in the Scheme | (3,220) | (2,212) | (2,257) | (889) | (311) |

15 CAPITAL COMMITMENTS

At the balance sheet date there were no capital commitments (2011 nil)

16 RELATED PARTIES

Mr JCF Barwell, a trustee, is an employee of Barclays a major sponsor of the charity which donated £30,000 (2011 £14,763) in the year

The following trustees during the year were nominated by Birmingham City Council a major public funder of the charity Cllr M Afzal (resigned 27 June 2011) Cllr M Gregson (appointed 27 June 2011) and Cllr A Underwood (resigned 11 June 2012)

The CBSO Development Trust a separately governed charitable trust is a connected party whose principal objective is to make donations to the City of Birmingham Symphony Orchestra at the discretion of its Trustees. At the balance sheet date the Trust's net assets were £412,902 (2011 £404,850) largely comprising cash balances