


City of Birmingham Symphony Orchestra
ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 March 2016

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Company Registration No.01262018
Charity No. 506276

City of Birmingham Symphony Orchestra

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City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2016

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2016, 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

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.

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 and the release of CDs for a variety of recording companies.
- An extensive education programme in schools and local communities, offering around 75,600 engagements 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, all of which perform with both the CBSO and other musical groups.
- Management of the CBSO Centre, which is the orchestra's rehearsal and administrative home, but also functions as a medium-scale performance venue, and stages a series of mainly lunchtime chamber concerts by CBSO players as well as being let out to other arts organisations.

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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 Orchestra gave 119 orchestral concerts during the year, reaching over 183,000 audience members

Aside from the many concerts, tours and other achievements detailed below, the most significant artistic event in 2015-16 was the conclusion of our Music Director Search in February 2016, when we announced that Andris Nelsons' successor would be Mirga Gražinytė-Tyla, a 30-year old conductor from Lithuania. This was the culmination of a worldwide search led by a committee comprising CBSO players, key staff and board members, chaired by Charles Barwell OBE. The committee had been established in October 2013, and deliberated long and hard – informed at every stage by detailed anonymous feedback from the CBSO's musicians - over the question of who would be a suitable conductor to build on the CBSO's impressive track record under Sir Simon Rattle, Sakari Oramo and Andris Nelsons.

Mirga's first concert in July 2015 produced a wave of positive feedback, and led to an immediate re-invitation for a special additional concert in January 2016. This was equally positively received by musicians, audience and press, and led to her being offered the job just two weeks later. The announcement on 4 February received hugely positive press and media coverage around the world, with major stories on The Times, Los Angeles Times and New York Times as well as broadcast coverage on Classic FM, BBC Radio 3 & 4, BBC TV News and a great many other outlets. Mirga takes up her position in August 2016, and her current roles as Music Director of the Salzburg Landestheater and Associate Conductor of the Los Angeles Philharmonic will both conclude in summer 2017.

Once again the CBSO showed a strong commitment to new music and living composers. The Orchestra gave world or national premieres of pieces by David Matthews, Eriks Esenvalds and Osvaldo Golijov, and the London premiere of *Falling Down* by John Woolrich. In addition we performed works by living composers including Steve Reich, Magnus Lindberg, John Adams, Arvo Pärt, Ryan Wigglesworth, Anna Clyne and Judith Weir.

The CBSO's ongoing strategy to attract and nurture musicians of exceptional talent enjoyed continued success:

- Three musicians were appointed to the orchestra - Principal 1st Violin; Emily Davis, Principal French Horn; Michael Kidd and Tutti 1st violin; Kirsty Lovie.
- The CBSO's longstanding Chorus Director Simon Halsey was made a CBE in the Queen's birthday honours, and Sub-Principal 2nd violinist Catherine Arlidge was made an MBE in the New Year honours in recognition of her pioneering educational work.
- The orchestra's Assistant Conductorship scheme continued, with Alpesh Chauhan holding the position for a second year.

Birmingham Concerts

Over 60% of our concerts were CBSO promotions in our home at Symphony Hall Birmingham where highlights included:

- A rare performance (and the first by the CBSO) of Michael Tippett's *Symphony No.2*, conducted by Principal Guest Conductor Edward Gardner. Broadcast live on BBC Radio 3.
- A concert performance of Wagner's *Parsifal* with an outstanding international cast and Andris Nelsons.

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- Two concerts conducted by Andris Nelsons as his farewell to Birmingham, featuring Mahler's enormous Symphony No.3 as well as the UK premiere of *Lakes Awake at Dawn* by Latvian composer Eriks Esenvalds, jointly commissioned for Andris by the CBSO and the Boston Symphony Orchestra. These concerts were nominated for a South Bank Sky Arts Award.
- A special concert for the annual Conference of the Association of British Orchestras, hosted by the CBSO, which featured rare performances of Varèse's *Ionisation*, and *In a Nutshell* and *The Warriors* by Percy Grainger. The concert – carried live by BBC Radio 3 – also included two Shakespeare-inspired works: *Storm* by Master of the Queen's Music Judith Weir, composed for the CBSO Children's Chorus and Youth Chorus, and Vaughan Williams' *Serenade to Music*, featuring a hand-picked line-up of 16 soloists from the UK's leading music colleges.
- A cycle of all 5 Beethoven piano concertos, directed from the keyboard by celebrated pianist Ralf Buchbinder, in his 70th birthday year.
- A series of performances by our first Artist in Residence, violinist Baiba Skride, including concertos by Schumann, Tchaikovsky and Szymanowski.
- *Our Shakespeare*, a season to mark the playwright's 400th Anniversary in 2016, featuring music related to around half his plays spread across 20 concerts, and marketed jointly with other regional partners including Birmingham Royal Ballet and the Royal Shakespeare Company. The season began with a performance of Walton's score to Olivier's film of *Henry V*, featuring actor Sam West, as well as Edward Gardner and the CBSO Chorus.
- CBSO 2020: a ten year project exploring music composed in the decade leading up to the orchestra's establishment in 1920. Highlights in 2015-16 included works by Sibelius, Nielsen, Grainger, Szymanowski, Strauss and Prokofiev.
- The UK premiere of *Azul*, a cello concerto by Argentine composer Osvaldo Golijov, performed by CBSO section leader Eduardo Vassallo and conducted by Assistant Conductor Alpesh Chauhan.
- Several successful concerts in our Friday Night Classics series, including a Charlie Chaplin double bill (with film), an Ella Fitzgerald tribute and concerts devoted to Star Wars and James Bond.

Members of the Orchestra gave further performances at its rehearsal home; CBSO Centre including:

- 15 Notelets concerts featuring small ensembles playing for children aged 0-5 and their families.
- 3 Concerts by a brass quintet for KS1 pupils, and 2 Relaxed Concerts for special school pupils given by a 10 piece CBSO ensemble in collaboration with young learning disabled actors from the Open Theatre Company.
- 18 Centre Stage concerts of chamber music played by CBSO musicians as part of the Osborn Chamber Music Programme.

Other UK concerts

The Orchestra also performed 27 other concerts in the United Kingdom, which included:

- A collaboration with Birmingham Opera Company for five staged performances of Michael Tippett's opera *The Ice Break*. This production was nominated for two RPS Music Awards and an International Opera Award.
- Two collaborations with Ex Cathedra: *The Grand Tour*, a concert of baroque music from around Europe, and a Good Friday performance of Bach's *St Matthew Passion*.
- A sold-out performance at the BBC Proms in London, for our final concert with Music Director Andris Nelsons – this included the London premiere of *Falling Down* by John Woolrich, commissioned by the CBSO for our contrabassoonist Margaret Cookhorn, and the annual Proms performance of Beethoven's *Choral Symphony*, featuring the CBSO Chorus and broadcast both on BBC Radio 3 and BBC TV.
- Concerts with Principal Guest Conductor Edward Gardner at the Cheltenham and Swansea Festivals.
- A concert with conductor Lahav Shani at the Lichfield Festival, featuring the world premiere of *Toward Sunrise* by David Matthews.

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- Return visits to Hanley Victoria Hall, Warwick Arts Centre, Oxford Sheldonian Theatre, Malvern Theatres (two visits), Bath Mozartfest, Nottingham Royal Concert Hall (two visits), Leeds Town Hall, and our first visit to the splendid new Saffron Hall in Saffron Walden.

Overseas Touring

The Orchestra made two overseas tours in 2015-16.

A farewell tour of Europe with Andris Nelsons, in May and June 2015, playing 15 concerts in seven countries in three weeks, with soloists Baiba Skride and Klaus Florian Vogt. The tour culminated in two sold-out performances at the Musikverein in Vienna, with acclaimed performances of Bruckner's Symphony No.7 and Act 3 from Wagner's *Parsifal*.

December 2015 saw the orchestra's second trip to Abu Dhabi for two performances with Associate Conductor Michael Seal: a concert in the Emirates Palace, Abu Dhabi, of Brahms Piano Concerto No.2 (with Nelson Freire) and Beethoven's Symphony No.7, and a concert of James Bond themes in the Al Jahili Fort in Al Ain.

Broadcasting and Recording

Nine CBSO concerts were broadcast on BBC Radio 3 including a live relay of our July 2015 concert with Andris Nelsons at the BBC Proms (also broadcast on BBC TV). Concerts from our European tour in May and June 2015 also received radio broadcasts.

There were two new CD recordings made and released in the year: Mendelssohn's Violin Concerto and incidental music for *A Midsummer Night's Dream* (Jennifer Pike, Edward Gardner, Chandos) and Michael Shapiro's Symphony No.2 (Paumanok Records). Our CD of piano concertos by Schumann and Dvorak with Stephen Hough and Andris Nelsons was also released by Hyperion to great acclaim.

Our Choruses

A small group of members from the CBSO Adult Chorus toured to Mexico City in September 2016, to provide mentoring to a Mexican chorus and to give two performances of Mahler's *Symphony No 2* with the London Philharmonic Orchestra and Alondra de la Parra.

The BBC Proms Youth Choir, managed by the CBSO on behalf of the BBC, closed the Lucerne Festival in September 2016. This chorus of 180 young people included members of the CBSO Youth Chorus, and they performed Elgar's *Dream of Gerontius* with the Vienna Philharmonic and Sir Simon Rattle – this was the last of three performances, the previous two being in Birmingham and at the BBC Proms.

Further choral activity included:

- Flagship performances from the CBSO Youth and Children's Choruses, including a performance of Judith Weir's *Storm*.
- The continuation of SO Vocal, the CBSO's highly successful community choir in Selly Oak, which has a membership of over 180, and who performed at one of the CBSO Christmas Concerts.

Learning & Participation Activities

The CBSO's extensive learning and participation programme which has many themes, including concerts for young audiences, work in primary and secondary schools across the region and new SEN and dementia programmes, had around 75,600 engagements across the West Midlands.

At the centre of this work is a talent programme providing specialist training for gifted and talented young instrumentalists and singers and strong engagement with schools and communities. The CBSO continues

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to be very involved with the Music Education Hubs, working closely with all 13 across the West Midlands. Highlights of the learning and participation programme included:

- Three excellent concerts by the CBSO Youth Orchestra and Academy, including a memorable performance of Richard Strauss' *Alpine Symphony*.
- The continuation of our Key Stage 3 concerts providing all children beginning secondary school in Birmingham with the opportunity to hear the CBSO perform at Symphony Hall.
- Ongoing partnership activities with the regional Music Education Hubs, including Sparks (in partnership with the 13 regional hubs) enabling over 45 gifted and talented young instrumentalists with inspirational master classes and performance opportunities alongside CBSO Musicians.
- The continuation of our flagship schools project marking the 100th Anniversary of the First World War, working with four primary schools from the Perry Barr District to create a new *War Requiem*.
- A new programme providing people living with dementia to benefit from regular engagement with improvisatory music making, supported by the Wigmore Hall's Music for Life team. Six CBSO musicians delivered 32 sessions across the year and a further 8 musicians benefitted from training.
- Pre-concert performances at Symphony Hall, and sharing events at CBSO Centre and The Drum featured over 500 children and young people showcasing their work.
- The continued development of Notelets, the CBSO's early years concert series, with a number of sell out performances.
- The launch of a new early years project, *Musical Storytimes* providing nurseries and reception classes with pairs of CBSO musicians to present well-known children's stories with musical accompaniment.
- The continued development of activities for children and young people with Special Educational Needs, with ongoing residencies in two special schools, interactive performances and workshops in an additional 7 schools and two Relaxed Concerts at CBSO Centre.
- Continued partnerships with two local higher education institutions - the University of Birmingham and Birmingham Conservatoire – including the joint delivery of MA courses in choral conducting and in orchestral string playing.

Our volunteers

The charity relies on a significant number of volunteers who, as well as assisting with the stewarding of events and performances at CBSO Centre, 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

Financially the CBSO has enjoyed another successful year. The small Unrestricted Funds surplus was better than expected and reflects a strong performance against income targets, good cost control and a stable position on the Pension Liability charges.

Income for the year of £8.6m (2015: £9.9m) was in line with expectations but lower than prior year due to the significant capital grants received in that year to support the refurbishment of CBSO Centre. The principal funding sources of the charity in the year were:

- revenue grant income from Arts Council England of £2,180,983 and from Birmingham City Council of £1,148,283; both of which amounts were unchanged from the previous year;
- over £1m of sponsorship and donations received from trusts and from individual and corporate supporters which continued to increase despite the difficult corporate climate;
- £3.6m in ticket income for Symphony Hall concerts and fees from orchestral touring;
- other earned income from charitable activities including our Learning & Engagement programmes and a strong performance from our, once again, fully functional CBSO Centre.

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Following the anniversary of the completion of the CBSO Centre refurbishment a final capital grant payment of £61,000 was received from Arts Council England. This grant has been added to the Arts Council Capital Grant Fund which is being expensed in line with depreciation on the assets to which it relates.

Total expenditure of £8.7m was lower than budgeted and in line with previous years after again allowing for the impact of the capital costs relating to the CBSO Centre refurbishment.

In finalising the April 2015 actuarial valuation of the Charity's defined benefits pension scheme (which was closed to future accrual in October 2010) the Charity was able to maintain the previously agreed recovery period which aims to clear the deficit by May 2034. Equally importantly this was achieved without a significant increase in the annual cost of funding the Scheme which is recognition of the work done by the Scheme Trustees to maximise the returns from the Schemes' assets.

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 to support its artistic excellence and reach.

The current planning cycle covers the period up to its centenary in 2020 (and beyond) and includes the following key priorities for the year ahead:

- Maximising the benefit, both artistically and financially, from the appointment of our new Music Director;
- Investing for growth in our earned income and annual fundraising levels, and further initiatives to grow an Endowment Fund for the future;
- Extending our reach through targeted digital and Learning & Participation activities including the launch of a student ticketing app and the continued enhancement of our website experience;
- Advocacy work with our public funders and other government agencies to secure the best deal for the finances of arts organisations in the future;
- Working with HMRC, the Association of British Orchestras and other relevant bodies on the introduction of an orchestra tax relief.

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

- A special concert to mark the 25th birthday of our home Symphony Hall in April 2016, featuring artists and composers who are also in their 25th year.
- UK premieres of *Left, Alone* by Hans Abrahamsen (a CBSO co-commission) and *Become Ocean* by John Luther Adams, which received 5-star reviews in the Times and Guardian.
- The conclusion of the *Our Shakespeare*, season of concerts, which reaches its climax in July 2016 with a performance of Verdi's last opera *Falstaff*, with an outstanding international cast conducted by Principal Guest Conductor Edward Gardner.
- The first season with new Music Director Mirga Gražinytė-Tyla, beginning in August 2016 with a concert in Birmingham which is repeated at the BBC Proms, in a concert (carried live by BBC Radio 3 and broadcast by BBC TV) which marks Mirga's London debut as well as the London premiere of the RPS and Grawemeyer-winning work *let me tell you...* by Hans Abrahamsen, sung by Barbara Hannigan. Her concerts in 2016-17 also include UK premieres of music by Serksnyte and Weinberg, as well as a concert performance of Mozart's opera *Idomeneo*.
- A season-long focus in 2016-17 – *The Spirit of England* - on music by English composers and which deals with Englishness, including works by Handel, Elgar, Holst, Vaughan Williams, Tippett, Britten, Jonathan Dove, Guy Barker, Daniel Kidane and Friday Night Classics concerts dedicated to the songs of Queen, British Film Music and Birmingham's very own comic creation Citizen Khan.

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- CBSO 2020: a ten year project exploring music composed in the decade leading up to the orchestra's establishment in 1920. Highlights in 2016-17 include works by Bax, Elgar, Bartok, Prokofiev, Holst and Respighi.
- A major tour to Japan in June and July 2016, featuring 7 concerts conducted by Kazuki Yamada in Tokyo, Yokohama, Osaka, Nagoya, Kurashiki, Yamagata and Niigata.
- The Orchestra's first ever tour to China in December 2016 / January 2017, featuring 5 concerts conducted by Vassily Sinaisky (with soloist James Ehnes) in Guangzhou, Changsha, Shanghai and Beijing.
- European tours with new Music Director Mirga Gražinytė-Tyla in July and November 2017, April 2018 and beyond.

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 and Risk committee are responsible for monitoring the register which is formally reviewed by the Charity's Board on a regular basis.

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

- The likelihood of reduced income from public funders;
- The threat of reduced box office income;
- Under funding of the (closed) CBSO Defined Benefit Pension Scheme;
- The loss of support from sponsors, trusts, foundations and individual donors;
- A significant increase in the cost of its use of Symphony Hall its main concert venue in Birmingham.

A focus on the relevant key performance indicators (KPIs) and good relationships with our key funders, Pension Scheme trustees and suppliers ensure that these major risks are constantly monitored and appropriate corrective action taken. In addition we have a strong system of internal control and comprehensive management reporting processes which include:

- Consideration of all financial issues by the Finance Committee and subsequent feedback to the Trustees.
- A formal internal audit programme covering the key risk areas on a three year cycle.
- 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 reserves in order to provide for contingencies that may arise in the future. This is particularly necessary given the current public funding landscape and its dependence on a number of variable income streams including a substantial level of ticket sales.

The trustees' target range for reserves is between three to six months core costs, including costs associated with keeping its main Birmingham season operating at a viable level. Whilst the Trustees acknowledge that its General Reserve may reduce in the short term, as the charity works to replace the ongoing cuts in public funding, they have set a target for these reserves to be built up to the appropriate level by its centenary in 2020.

At 31 March 2016 total reserves were £613,000 of which £4,247,000 were restricted and (£3,634,000) were unrestricted. Unrestricted reserves are comprised of a General reserve of £619,000 and a deficit of £4,253,000 on the Pension reserve.

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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 its future business plans 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 Charity 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. Revenue grant income from this source amounted to £3,329,266, representing 39% (2015: 34%) of the charity's total income.

Grants from Arts Council England are confirmed up to 31 March 2018, at levels consistent with those currently received. The charity has a strong relationship with Arts Council England and during the year continued to receive further support from its Catalyst and Thrive strategic funding programmes.

Grants from Birmingham City Council have been agreed up to 31 March 2017 at a level of £0.9m. Whilst this represents a 25% reduction on the level of grant received in the year to 31 March 2016 the Council remains strongly committed in its support for the Orchestra and recognises its role as a high profile ambassador for the City. In March 2016 the Council launched a Cultural Investment Enquiry to look at different ideas for generating revenue and capital funds for the arts beyond what it can directly fund in future. This Inquiry is being run in partnership with Birmingham Chamber of Commerce, Arts Council England, Aston Business School and the city's arts organisations.

Apart from its public funding, the CBSO has a broad range of other income sources and it is not critically dependant on any other single organisation for funding. A number of sponsorship and other funding agreements are in place which run for more than 2 years after the balance sheet date. In addition to performances at Symphony Hall, a significant number of engagements are confirmed for the 12 months ahead.

As the charity has positive reserves, a significant cash balance, the likely introduction of an Orchestra Tax Relief as well as others 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.

Public Benefit

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

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

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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, which encourages 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, and those in receipt of benefits.
- broadcasting our performances for free on radio and online, in partnership with BBC Radio 3 and others.
- 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 financial barriers are removed.
- working in partnership with a range of organisations, including the 13 regional music services, Performances Birmingham, Birmingham Conservatoire and the University of Birmingham to reach more people.
- 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.

Reference and Administration details

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

Our advisers

Auditors	RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)	St Philips Point, Temple Row, Birmingham B2 5AF
Bankers	HSBC Bank plc	130, New Street, Birmingham. B2 4JU
Solicitors	Shakespeare Martineau	No. 1 Colmore Square, Birmingham. B4 6AA
Insurance Brokers	JLT Speciality Limited	3 rd floor, 45 Church Street, Birmingham. B3 2RT

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:	Bridget Blow CBE #	(Chair)
	Patrick Verwer #	(Deputy Chair)
Member of Audit Committee *	Catherine Arlidge MBE *	(appointed 12 July 2015)
	Julian Atkinson	
Member of Nominations Committee #	Charles Barwell OBE	(resigned 29 October 2015)
	Clive Bawden *	(Trustee for Finance)
	Cllr Randall Brew	

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	Tony Davis	(appointed 1 April 2016)
	Cllr Matthew Gregson	
	Joe Godwin	(appointed 1 April 2016)
	Sir Dexter Hutt	
	Jane Jarvis #	
	John Osborn	
	Roger Pemberton #	
	Peter Sinclair	
	John Tattersdill	(resigned 12 July 2015)
	Lucy Williams	(appointed 1 April 2016)
Chief Executive	Stephen Maddock	
Company Secretary	Annmarie Wallis	Director of Finance
Other Senior Staff:	Abby Corfan	Director of Marketing & Digital
	Simon Fairclough	Director of Development
	Lucy Galliard	Director of Learning & Engagement
	Zoe Poyser	Director of Concerts
Senior Music Officers	Mirga Gražinytė-Tyla	Music Director
	Simon Halsey CBE	Chorus Director

Structure, Management and Governance

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 584 members, each of whom agrees to contribute 50p in the event of the charity winding up.

Organisation

The Board of Trustees administers the charity. The board meets around six times a year and there are Board committees covering Remuneration, Nominations and Audit & Risk and an Artistic Forum. A Chief Executive is appointed by the trustees and together with the other senior staff manages the day to day operations of the charity.

Appointment of trustees

Following a Governance Review and in line with Charity Commission best practice, on 23 July 2015, the company adopted new Articles of Association. Since that date there is no maximum number of directors.

Most directors are appointed by the board, with reference to a skills audit, and on the recommendation of the Nominations Committee. Members may put themselves forward for consideration by the Nominations Committee. All trustees nominated through this nominations process are subject to ratification by members at the Annual General Meeting

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There are four additional directors, two of whom are nominated by Birmingham City Council and two by the players. Directors 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 terms 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 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 £3,740 (2015: £3,740).

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 10 to the accounts.

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

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of City of Birmingham Symphony Orchestra) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

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

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2016

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

Acknowledgements

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

- CBSO's major donors, benefactors, circle supporters, patrons and friends;
- The Orchestra'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. In July 2015, this separately managed charity achieved its initial £1m Endowment Fund target and were thus able to draw the full match funding from the Arts Council England's Catalyst award.

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

The board is appreciative of the deep commitment of the Orchestra's 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 18 July 2016.



By order of the trustees
Bridget Blow CBE (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 2016 on pages 16 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 13, 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 2016 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 and the incorporated Strategic 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.

RSM UK Audit LLP

MICHAEL HUGGINS (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP), Statutory Auditor
Chartered Accountants

St Philips Point
Temple Row
Birmingham
B2 5AF

26 July 2016

City of Birmingham Symphony Orchestra

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account)

for the year ended 31 March 2016

	Notes	Unrestricted funds General £'000	Restricted Fund £'000	Total funds 2016 £'000	Total funds 2015 £'000
INCOME FROM:					
Voluntary Income					
- Donations & Legacies	2	741	341	1,082	998
- Grant Income	3	3,329	61	3,390	4,737
Charitable Activities	4	4,045	115	4,160	4,186
Investments	5	2	-	2	7
Other	6	-	-	-	7
TOTAL		8,117	517	8,634	9,935
EXPENDITURE ON:					
Raising Funds	7	278	15	293	137
Charitable Activities	7	8,002	441	8,443	9,008
TOTAL		8,280	456	8,736	9,145
NET(EXPENDITURE)/ INCOME FOR THE YEAR	9	(163)	61	(102)	790
Transfers between funds	16	232	(232)	-	-
Other recognised gains/ (losses):					
Actuarial gain /(loss) on defined benefit pension scheme	15	9	-	9	(514)
NET MOVEMENT IN FUNDS		78	(171)	(93)	276
RECONCILIATION OF FUNDS					
Fund balances brought forward		(3,712)	4,418	706	430
FUND BALANCES CARRIED FORWARD		(3,634)	4,247	613	706

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 2016

Company Registration No. 01262018

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
FIXED ASSETS					
Tangible assets	11		4,325		4,488
CURRENT ASSETS					
Stock and work in progress	12	32		55	
Debtors	13	642		623	
Cash at bank and in hand		1,062		1,156	
		<u>1,736</u>		<u>1,834</u>	
CREDITORS: Amounts falling due within one year	14	<u>(1,195)</u>		<u>(1,285)</u>	
NET CURRENT ASSETS			<u>541</u>		<u>549</u>
NET ASSETS excluding Pension Liability			<u>4,866</u>		<u>5,037</u>
DEFINED BENEFIT PENSION SCHEME LIABILITY	15		<u>(4,253)</u>		<u>(4,331)</u>
TOTAL NET ASSETS			<u><u>613</u></u>		<u><u>706</u></u>
THE FUNDS OF THE CHARITY					
RESTRICTED FUNDS	16		4,247		4,418
UNRESTRICTED FUNDS :					
General reserve	17	619		619	
Pension reserve	17	(4,253)		(4,331)	
GENERAL RESERVE including Pension reserve			<u>(3,634)</u>		<u>(3,712)</u>
TOTAL FUNDS			<u><u>613</u></u>		<u><u>706</u></u>

The financial statements on pages 16 to 33 were approved by the board of directors and authorised for issue on 18 July 2016 and are signed on its behalf by:

Trustee

Trustee

City of Birmingham Symphony Orchestra
STATEMENT OF CASH FLOWS
For the year ended 31 March 2016

	2016 £'000	2015 £'000
Cash flows from operating activities:		
Cash (used in)/ provided by operating activities	(6)	1,505
Cash flows from investing activities:		
Interest receivable	2	7
Proceeds from sale of property, plant and equipment	5	7
Purchase of property, plant and equipment	(95)	(1,594)
Proceeds from sale of investment	-	107
Net cash used in investing activities	(88)	(1,473)
Change in cash and cash equivalents in the year	(94)	32
Cash and cash equivalents at the beginning of the year	1,156	1,124
Cash and cash equivalents at the end of the year	1,062	1,156
Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net (expenditure)/ income for the year	(102)	790
Interest receivable	(2)	(7)
Depreciation charges	253	190
Loss on the sale of fixed assets	-	117
Defined Benefit Pension Scheme	(69)	(28)
Decrease/ (increase) in stocks	23	(10)
(Increase) / decrease/in debtors	(19)	634
Decrease in creditors	(90)	(181)
Net cash (used in)/ provided by operating activities	(6)	1,505
Analysis of cash and cash equivalents		
Total cash and cash equivalents	1,062	1,156

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1. ACCOUNTING POLICIES

GENERAL INFORMATION

City of Birmingham Symphony Orchestra is a charitable company incorporated in England and 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.

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:

RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

These financial statements are the first financial statements of City of Birmingham Symphony Orchestra prepared in accordance with FRS 102 and the Charities SORP (FRS 102).

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) a restatement of comparative items was required. Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the charity has amended certain accounting policies to comply with FRS 102. Comparative figures have been restated to reflect the adjustments made and are reflected in the transition reconciliation at note 21.

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 credited to the income account when the concert has been performed.
- Income received in respect of future periods is deferred until such time as the charity has entitlement.
- 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, the amount can be quantified with reasonable accuracy and receipt is probable.
- 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 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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

Expenditure:

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

- Raising funds comprises fundraising costs, which are incurred in raising funds for the charity.
- Charitable activities includes expenditure on the maintenance of the orchestra, marketing and staging concerts, broadcasting and recording activities, education and chorus activities 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 8.

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:

All expenditure is 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.

TAXATION

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

FUNCTIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the Charity.

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 £1,000 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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

STOCK AND WORK IN PROGRESS

Stocks, consisting of recordings and promotional items, are stated at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices less costs of disposal. Provision is made for obsolete and slow moving items. Work in progress, consisting of expenditure on CD recordings not yet released, is stated at cost less any provisions for impairment.

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.

CASH AND BANK BALANCES

Cash and bank balances includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

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.

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 the notes to the financial statements.

RETIREMENT BENEFITS

Defined contribution plans

For defined contribution schemes 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 plans

For defined benefit retirement plans, 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 plan 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 plan.

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 ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no such critical accounting estimates and assumptions to report.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

2 DONATIONS AND LEGACIES

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Trusts	435	310
Donations, Membership and Legacies	531	483
Sponsorship	116	205
	<u>1,082</u>	<u>998</u>

Income from donations and legacies was £1,082,000 (2015: £998,000) of which £741,000 was unrestricted (2015: £699,000) and £341,000 was restricted (2015: £299,000).

3 GRANT INCOME

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Arts Council England grant	2,181	2,181
Birmingham City Council grant	1,148	1,148
Other: Capital grant	61	1,408
	<u>3,390</u>	<u>4,737</u>

Arts Council England and Birmingham City Council grant income is wholly unrestricted.

Capital grant income, which is wholly restricted, relates to monies received from Arts Council England to fund the refurbishment of CBSO Centre. With most of the works completed during the previous financial year the £61,000 received in the year represents the final retention payment payable one year after project completion.

4 INCOME FROM CHARITABLE ACTIVITIES

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Birmingham Concerts and promotions	2,187	2,383
Other UK engagements	533	388
Overseas engagements	884	885
Broadcasting and recording	103	106
Learning & Engagement	349	338
CBSO Centre income	104	86
	<u>4,160</u>	<u>4,186</u>

Income from charitable activities was £4,160,000 (2015: £4,186,000) of which £4,045,000 was unrestricted (2015: £4,112,000) and £115,000 was restricted (2015: £74,000).

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

5 INVESTMENT INCOME

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Interest receivable	2	7

Investment income is wholly unrestricted.

6 OTHER INCOME

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Disposal of fixed assets	-	7

Other income is wholly unrestricted.

7 ANALYSIS OF TOTAL EXPENDITURE

	Direct Costs £'000	Support & governance costs (note 8) £'000	Total 2016 £'000	Total 2015 £'000
RAISING FUNDS:				
Fundraising expenses	114	179	293	137
CHARITABLE ACTIVITIES:				
Birmingham concerts and promotions	4,059	514	4,573	5,467
Other UK engagements	625	133	758	501
Overseas engagements	1,247	192	1,439	1,126
Concert marketing and advertising	263	411	674	816
Broadcasting and recording	99	41	140	140
Learning & Engagement	429	258	687	674
CBSO Centre	3	169	172	284
SUBTOTAL	6,725	1,718	8,443	9,008
TOTAL	6,839	1,897	8,736	9,145

Expenditure on raising funds was £293,000 (2015: £137,000) of which £278,000 was unrestricted (2015: £112,000) and £15,000 was restricted (2015: £25,000).

Expenditure on charitable activities was £8,443,000 (2015: £9,008,000) of which £8,002,000 was unrestricted (2015: £8,488,000) and £ 441,000 was restricted (2015: £520,000).

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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 value of usage. Staff costs have been allocated by time spent.

	Support costs £'000	Governance Costs £'000	Total 2016 £'000	Basis of apportionment
Salaries (including pensions)	994	121	1,115	Time spent
Rent, rates & service charge	83	-	83	Income
Maintenance, buildings & equipment	139	-	139	Income
Professional charges	2	58	60	Governance
Depreciation	253	-	253	Income
General expenses	247	-	247	Income
	<u>1,718</u>	<u>179</u>	<u>1,897</u>	

9 NET INCOME/ EXPENDITURE FOR THE YEAR

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
This is stated after charging:		
Auditors remuneration		
- for audit services	12	12
- for non-audit services	5	7
Depreciation of tangible fixed assets	253	190
Loss on disposal of fixed assets	-	117
	<u></u>	<u></u>

10 STAFF COSTS & TRUSTEE REMUNERATION

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Wages and salaries	3,480	3,456
Social security costs	322	321
Pension costs	91	64
	<u>3,893</u>	<u>3,841</u>

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 2016

10 STAFF COSTS & TRUSTEE REMUNERATION (Continued)

The average monthly number of full-time equivalent employees during the year were as follows:

	Year ended 31 March 2016 No.	Year ended 31 March 2015 No.
Senior Management	6	5
Other Office Staff	28	31
Orchestra	69	72
	<hr/>	<hr/>
	103	108
	<hr/>	<hr/>

The following employees received emoluments in excess of £60,000 in the year ended 31 March:

	2016 No.	2015 No.
£60,001 to £70,000	1	1
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
	<hr/>	<hr/>

The key management personnel of the charity comprise the Chief Executive and the Directors for Finance, Development, Marketing & Digital, Concerts and Learning & Engagement. The total compensation including national insurance and pension contributions payable to the key management personnel of the charity was £378,212 (2015: £328,855).

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 charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil) neither were they reimbursed expenses during the year (2015: £nil).

A trustee indemnity insurance premium of £ 3,740 (2015: £3,740) was paid in the year.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

11 FIXED ASSETS

	Long term leasehold property £'000	Technical, stage & musical equipment £'000	Plant, fixtures, computers and motor vehicles £'000	Works of Art £ '000	Total £'000
COST					
At 1 April 2015	4,716	1,078	709	18	6,521
Additions	6	13	76	-	95
Disposals	(5)	(3)	(1)	-	(9)
	<u>4,717</u>	<u>1,088</u>	<u>784</u>	<u>18</u>	<u>6,607</u>
DEPRECIATION					
At 1 April 2015	1,409	427	179	18	2,033
Charged in the year	111	60	82	-	253
Disposals	(1)	(3)	-	-	(4)
	<u>1,519</u>	<u>484</u>	<u>261</u>	<u>18</u>	<u>2,282</u>
NET BOOK VALUE					
At 31 March 2016	<u>3,198</u>	<u>604</u>	<u>523</u>	<u>-</u>	<u>4,325</u>
At 31 March 2015	<u>3,307</u>	<u>651</u>	<u>531</u>	<u>-</u>	<u>4,488</u>

The refurbishment of CBSO Centre, which was largely completed in the previous financial year, was funded by grants from Arts Council England and other Trust and Foundations. On 15 May 2014 as a condition of the Arts Council England grant 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.

12 STOCKS AND WORK IN PROGRESS

	2016 £'000	2015 £'000
Stock	3	2
Work in progress	29	53
	<u>32</u>	<u>55</u>

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

13 DEBTORS

	2016 £'000	2015 £'000
Trade debtors	262	124
Other debtors	103	94
Prepayments and Accrued Income	277	405
	<u>642</u>	<u>623</u>

14 CREDITORS: Amounts falling due within one year.

	2016 £'000	2015 £'000
Trade creditors	590	620
Other creditors	156	140
Taxation and social security costs	2	2
Deferred income	183	218
Accruals	264	305
	<u>1,195</u>	<u>1,285</u>

Deferred income:

	2016 £'000	2015 £'000
At 1 April 2015	218	229
Amount deferred in year	183	218
Amount released to income earned from charitable activities	(218)	(229)
At 31 March 2016	<u>183</u>	<u>218</u>

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

Included within other creditors is £27,476 (2015: £26,728) of unpaid pension contributions.

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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 2016.

The major financial assumptions used by the actuary were:

	2016	2015
Discount rate (% p.a)	3.60%	3.50%
Salary increase rate (% p.a)	1.40%	1.60%
Rate of revaluation in deferment (% p.a)		
- CPI max 5% p.a	1.40%	1.60%
- CPI max 2.5% p.a	1.40%	1.60%
Pension increase rate (% p.a)		
- RPI, capped at 5% p.a	2.90%	2.90%
- RPI, capped at 3% p.a	2.90%	2.90%
- RPI, capped at 2.5% p.a	2.50%	2.50%
- CPI, capped at 2.5% p.a	1.40%	1.60%
Price inflation rate (% p.a)	2.90%	2.90%
Consume inflation rate (% p.a)	1.40%	1.60%

	2016 Years	2015 Years
Life expectancy at age 65:		
Current pensioners - Men	22	22
Current pensioners - Women	24	24
Future pensioners now 40 - Men	23	23
Future pensioners now 40 - Women	26	26

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

	2016 £'000	2015 £'000
Target Return Funds	11,463	12,096
Equities	1,637	1,642
Property	3,226	2,937
Bonds – UK index linked gilts	1,977	1,947
Bonds - Corporate	950	1,372
Insurance policies	-	220
Cash	89	65
Total	<u>19,342</u>	<u>20,279</u>

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

15 PENSION AND SIMILAR OBLIGATIONS (Continued)

Balance Sheet:

	2016 £'000	2015 £'000
Present value of Scheme liabilities	(23,595)	(24,610)
Fair value of scheme assets	19,342	20,279
	<u> </u>	<u> </u>
Deficit in Scheme	(4,253)	(4,331)
	<u> </u>	<u> </u>

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 employer's best estimate of company contributions to be paid in respect of the Scheme during the financial year ending 31 March 2017 is £337,000.

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

	2016 £'000	2015 £'000
Interest on Scheme liabilities	849	983
Interest on Scheme assets	(702)	(811)
Administration costs	113	120
	<u> </u>	<u> </u>
Amount charged to operating costs	260	292
Actuarial gain on Scheme liabilities	(1,179)	2,119
Actual gain on Scheme assets	1,170	(1,605)
	<u> </u>	<u> </u>
Total expense	251	806
	<u> </u>	<u> </u>
Total return on Scheme assets	(468)	2,416
	<u> </u>	<u> </u>

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

	2016 £'000	2015 £'000
Opening defined benefit obligation	24,610	22,325
Interest cost	849	983
Benefit paid	(685)	(817)
Actuarial (gain) /loss	(1,179)	2,119
	<u> </u>	<u> </u>
Closing defined benefit obligation	23,595	24,610
	<u> </u>	<u> </u>

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

15 PENSION AND SIMILAR OBLIGATIONS (Continued)

Changes in the fair value of scheme assets are as follows:	2016 £'000	2015 £'000			
Opening scheme assets	20,279	18,480			
Expected return on assets	702	811			
Employer contributions	329	320			
Benefits paid	(685)	(817)			
Administration costs	(113)	(120)			
Actuarial (loss) / gain	(1,170)	1,605			
Closing scheme assets	19,342	20,279			
	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Experience arising on Scheme liabilities					
Amount	(520)	-	-	(800)	(75)
% of present value of funded obligations	(2.2%)	0%	0%	(3.7%)	(0.1%)
Experience arising on Scheme assets					
Amount	(1,170)	1,605	(261)	1,191	(72)
% of Scheme assets	(6.0%)	7.9%	(1.4%)	6.5%	(0.4%)
Total amount recognised in SOFA as Gains & Losses	9	(514)	(618)	(622)	(1,216)
% of present value of funded obligations	0%	(2.1%)	(2.8%)	(2.9%)	(6.1%)
Present value of Scheme liabilities	(23,595)	(24,610)	(22,325)	(21,787)	(19,855)
Fair value of Scheme assets	19,342	20,279	18,480	18,257	16,635
Deficit in Scheme	(4,253)	(4,331)	(3,845)	(3,530)	(3,220)

16 RESTRICTED FUNDS

	1 April 2015 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2016 £'000
CBSO Centre reserve	3,237	-	-	(114)	3,123
Arts Council capital grant	1,080	61	-	(91)	1,050
Youth Orchestra reserve	84	-	-	(15)	69
Capital equipment reserve	17	-	-	(12)	5
Education & Chorus reserve	-	334	(334)	-	-
Charitable activities reserve	-	122	(122)	-	-
	4,418	517	(456)	(232)	4,247

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For the year ended 31 March 2016

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 by 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	The Arts Council Capital Grant represents monies received from Arts Council England to support the refurbishment of CBSO Centre. In line with the terms of this grant, the monies received are shown as a separate restricted grant. The transfer in the year covers the non-capitalised refurbishment costs plus an amount equal to the depreciation charge on the assets to which the grant relates.
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. £15,000 of the grant was transferred for these purposes during the year.
Capital equipment reserve	The Capital Equipment reserve comprises amounts received by grants and donations to fund the purchase of fixed assets. The transfer in the year is equivalent to the depreciation charge on the assets.
Education & Chorus reserve	The Education & Chorus reserve represents monies received from Trusts, Foundations and Corporate sponsors to fund our Learning & Participation 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 a conducting fellowship.

17 UNRESTRICTED FUNDS

	Balance 1 April 2015 £'000	Surplus in year £'000	Actuarial gain on pension scheme £'000	Balance 31 March 2016 £'000
General reserve	619	-	-	619
Pension reserve	(4,331)	69	9	(4,253)
	<u>(3,712)</u>	<u>69</u>	<u>9</u>	<u>(3,634)</u>

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For the year ended 31 March 2016

18 NET ASSETS BY FUND

	Restricted £'000	Unrestricted £'000	Total £'000
Funds are represented by:			
Fixed assets	4,178	147	4,325
Current assets/ (liabilities)	69	472	541
Defined benefit pension liability	-	(4,253)	(4,253)
	<u>4,247</u>	<u>(3,634)</u>	<u>613</u>

19 CAPITAL COMMITMENTS

Future capital expenditure contracted for, but not provided in the financial statements as at 31 March 2016 was £nil (2015: £10,384).

20 RELATED PARTY TRANSACTIONS

The following trustees during the year were nominated by Birmingham City Council, a major public funder of the charity; Cllr M Gregson and Cllr R Brew.

On the 22 April 2013 The CBSO Pension Trustee Limited was incorporated as 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. There have been no transactions during the year and thus the CBSO Pension Trustee Limited is not consolidated within these accounts.

21 FIRST TIME ADOPTION OF FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) funds at the date of transition to FRS 102; (ii) funds at the end of the comparative period; and (iii) income or expenditure for the comparative period reported under previous UK GAAP are given below.

Under FRS 102, the Statement of Cash Flows presents changes in cash and cash equivalents (which include cash in hand, deposits repayable on demand and overdrafts and short-term, highly liquid investments), showing changes arising from operating activities, investing activities and financing activities separately. Under previous SORP, the Cash Flow Statement presented changes in cash (which includes cash in hand, deposits repayable on demand and overdrafts) under the headings of operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid, management of liquid resources, and financing.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

21 FIRST TIME ADOPTION OF FRS 102 (Continued)

There were no changes in the level of funds as at 1 April 2014 and 31 March 2015 as a result of the adoption of the new FRS102 standard.

RECONCILIATION OF NET INCOME

	31 March 2015 £'000
Net income as previously reported	1,069
Changes in the reporting of actuarial losses associated with the Charity's Defined Benefit Pension Scheme	(279)
	<hr/>
Net income reported under FRS 102	790
	<hr/> <hr/>

Under previous UK GAAP the charity recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 April 2014 or 31 March 2015. The effect of the change has been to increase the debit to expense by £279,000 and reduce the debit in other recognised gains and losses in the SOFA by an equivalent amount.